

**Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
September 29, 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; and
Councilperson Misty Spears, City of San Antonio.

ABSENT: Councilperson Leo Castillo (Interim), City of San Antonio; and
Mayor Gina 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, COSA; and
Charlie Ricketts and Michael Trainer, Retirees Association.

At 10:12 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 25, 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 10:38 a.m. to discuss legal issues regarding contract negotiations, benefits, and legal issues with counsel. The Executive Session adjourned at 10:58 a.m.

**MEMBERS
TO BE**

HEARD: Harry Griffin, retired Police Officer, addressed the Board on the fiduciary duties of the Board to always act in the best interests of the Plan beneficiaries and undivided loyalty to the members. Mike Rankin, retired Fire Fighter, asked whether the Fund's resources could be used to study issues that may not be in the best interests of all the members.

**ACTION
ITEMS:**

1. Investments: A Committee is scheduled for December 8, 2025 at 2:30 p.m.

2. Personnel/ Audit:

- a. Audit by Garza & Gonzalez: Jason Hyde with Garza & Gonzalez, the Fund's auditor, provided a "clean" audit report for the Fund, with no difficulties in performing the audit and no internal controls problems. He reported a net gain in assets of \$57M. Upon motion by Trustee Guterrez and second by Trustee Despres, the Audit for CY 2024 was unanimously approved by the Board.
- b. Actuarial Valuation by Foster & Foster: Upon motion by Trustee Despres and second by Councilperson Spears, the actuarial report as of January 1, 2025 was unanimously approved.

3. Benefits: Chair Despres will schedule a meeting to discuss the WebTPA contract and Childrens' Rate on October 9, 2025 at 10:00 a.m.

4. Legislative:

- a. Presentation to Rep. Lujan: Upon motion by Trustee Berry and second by Councilperson Spears, the Board unanimously approved a Resolution of Appreciation for Rep. John Lujan and then presented the Resolution to him.

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: Likely will be scheduled at 11:00 a.m. on October 9, 2025 at 11:00 a.m.
- c. Draft 2026 Budget: Mr. Bounds presented a draft of the CY 2025 budget and requested input from the Board.
- d. Health by Design Contract: No action.
- e. Certification of Election Report: Upon motion by Trustee Despres and second by Trustee Gutierrez, the results of the Active Fire Trustee Election results were unanimously approved, electing Doug Berry as Trustee (71% - 29%).

6. Consultant Report:

a. Legal: None.

7. Educational Opportunities:

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

- Kayne Anderson Investor Conference, November 6-7, 2025

8. Next Meeting: The next regularly scheduled meeting will be October 27, 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 11:15 a.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes
- Elections Results
- Audit Report
- Actuary Report

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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 SEPTEMBER 29, 2025.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session September 29, 2025 at 10:12 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 contract negotiations, benefits, and legal issues with counsel.
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 29, 2025 at 10:58 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 201, SAN ANTONIO, TX 78216
Monday, September 29, 2025-10:00 a.m.
(NOTE: CHANGE OF LOCATION—Suite 201)

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 ledeleon@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, Councilperson Leo Castillo-Anguiano, Councilperson Misty Spears
3. New Trustee Oath:
4. 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.**

5. Minutes (Discussion and possible action):
 - Board Meeting Minutes for August 25, 2025
6. Public Comment:
7. Committee Reports (discussion and possible action):
 - a. Investments:
 - b. Personnel/Audit:
 - Presentation of December 31, 2024, Audit By Garza & Gonzalez
 - Adoption of January 1, 2025, Actuarial Valuation by Foster & Foster
 - c. Benefits:
 - d. Legislative:
 - Presentation for Lujan
8. Administrative report (discussion and possible action):
 - a. Draft financial reports for August 2025
 - b. Discussion of Strategic Business Planning Committee Meeting
 - c. First Draft of 2026 Budget
 - d. Contractual matters with Health by Design
9. Consultant Reports (discussion and possible action):
 - a. Legal: Report by Frank Burney
10. Educational Opportunities (discussion and possible action):
 - Kayne Anderson Investor Conference
November 6-7, 2025
11. 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
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 PRESENT: James Bounds, Executive Director, and Cecilia Puga, Retiree Health Care;
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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Garza/Gonzalez & Associates, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Fire and Police Retiree Health Care Fund, San Antonio
San Antonio, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Fire and Police Retiree Health Care Plan, San Antonio (the Health Fund), a component unit of the City of San Antonio, Texas, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Health Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Health Fund, as of December 31, 2024 and 2023, and the respective changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Health Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

Alternative Investments

As explained in Notes II.B. and IV. in the notes to financial statements, the financial statements include alternative investments valued at \$469,343,065 (78.78% of total investments) at December 31, 2024; and, \$428,901,454 (79.75% of total investments) at December 31, 2023, whose fair values have been measured by the Health Fund using the net asset value (NAV) per share, in the absence of readily available and determinable fair values. The NAV per share measurement is based upon the net position value of the Health Fund's investment in the alternative investment as determined by the alternative investment's fund managers or general partners, which could differ materially from a readily available and determinable fair value. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Health Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Health Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the "Management's Discussion and Analysis" (MD&A) and the "Required Supplementary Information," as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2025, on our consideration of the Health Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Health Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Health Fund's internal control over financial reporting and compliance.

Garza/Gonzalez & Associates, LLC

September 5, 2025

FIRE AND POLICE RETIREE HEALTH CARE FUND, SAN ANTONIO
(A Component Unit of the City of San Antonio, Texas)

Management's Discussion and Analysis

The Fire and Police Retiree Health Care Fund (the Health Fund) is the statutory trust established under Article 6243q of Texas Civil Statutes. The purpose of the Health Fund is to provide health care benefits for persons who retired on or after October 1, 1989, from the municipal fire or police department of the City of San Antonio. This section of the Health Fund's financial report presents management's discussion and analysis of the Health Fund's financial performance during the years ended December 31, 2024, 2023, and 2022. Please read this discussion and analysis in conjunction with the Health Fund's financial statements that follow.

Financial Highlights

- During 2024, the Health Fund paid \$23,392,815 in member medical claims compared to \$19,348,560 in 2023. The 20.9% uptick reflects elevated healthcare usage, primarily stemming from increased hospitalization rates and a greater volume of high-cost claims relative to previous periods. The 2023 claims paid were an increase of 6.5% from the 2022 amount paid of \$18,153,747. The 6.5% increase reflects the baseline trend in healthcare cost escalation and enrollment expansion.
- Net position held in trust by the Health Fund totaled \$635,409,822 at December 31, 2024 and \$578,893,500 at December 31, 2023. Net Position increased by \$56,516,322 during the twelve months ended December 31, 2024. Net Position increased by \$38,255,014 during the twelve months ended December 31, 2023, from the amount of \$540,638,486 at December 31, 2022. The net position of the Health Fund is held exclusively for the benefit of the members and retirees of the Fund, their beneficiaries, and reasonable administrative expenses for administering the Health Fund.

Overview of the Financial Statements

The Health Fund's financial statements are comprised of two components: 1) the financial statements and 2) the notes to the financial statements.

The financial statements are designed to give the reader an overview of the Health Fund's finances with an emphasis on the Health Fund's net position restricted for payment of healthcare benefits and the changes in the net position for the period reported.

The statement of fiduciary net position presents information on all the Health Fund's assets and liabilities with the difference reported as net position restricted for postemployment healthcare benefits. This statement provides a snapshot of account balances at the end of the fiscal year and reports the assets available for future payments of benefits and expenses. These assets, less liabilities, are intended to give the reader a clear picture of the amount of funds that are available for future payments.

The statement of changes in fiduciary net position presents information showing how the Health Fund's net position changed during the years ended December 31, 2024 and 2023. This statement identifies to the reader the source and values of the current period's additions to and deductions from the Health Fund.

The notes to the financial statements provide additional information that is essential for a full understanding of the data presented in the Health Fund's financial statements.

FIRE AND POLICE RETIREE HEALTH CARE FUND, SAN ANTONIO
(A Component Unit of the City of San Antonio, Texas)

Management's Discussion and Analysis

Other Information

In addition to the financial statement components described above, the Health Fund also presents certain required supplementary information concerning the schedule of changes in the net OPEB liability and related ratios and schedule of investment returns. This information, although not part of the financial statements, is required by the Governmental Accounting Standards Board (GASB) as supplementary information.

Financial Analysis

Assets and Liabilities

The assets of the Health Fund are predominately cash, money market mutual funds, common stocks, and investments in limited liability partnerships (alternative investments). Except for alternative investments, investments are held by the custodian bank and reported at fair value. Assets increased by \$57,740,617 from December 31, 2023 to December 31, 2024 and increased by \$37,231,234 from December 31, 2022 to December 31, 2023 in line with the strong financial markets.

Liabilities of the Health Fund are comprised of claims payable, accounts payable, payroll liabilities, and leases payable. Liabilities increased by \$1,224,295 from December 31, 2023 to December 31, 2024 and increased by \$1,023,780 from December 31, 2022 to December 31, 2023. These changes are primarily due to the fluctuations in estimated claims payable and increases in the right-to-use lease payable as a result of the administrative office lease extension, and the implementation of GASB Statement No. 87, *Leases*.

Below is the condensed statement of fiduciary net position at December 31, 2024; December 31, 2023; and, December 31, 2022:

Condensed Statement of Fiduciary Net Position

	Year Ended 12/31/2024	Year Ended 12/31/2023	Year Ended 12/31/2022
Cash and Short-term Investments	\$ 7,146,629	\$ 5,904,601	\$ 5,242,167
Investments, at Fair Value	588,609,977	531,964,297	499,400,927
Real Estate – Assets Held for Sale	11,694,383	13,152,872	12,236,245
Capital Assets, Net	32,068,187	32,218,988	28,861,900
Other Assets	3,401,488	1,939,288	2,207,573
Total Assets	<u>\$ 642,920,664</u>	<u>\$ 585,180,046</u>	<u>\$ 547,948,812</u>
Claims Payable	\$ 6,099,544	\$ 4,895,040	\$ 4,866,321
Other Liabilities	1,411,298	1,391,506	2,444,005
Total Liabilities	<u>7,510,842</u>	<u>6,286,546</u>	<u>7,310,326</u>
Net Position – Restricted for OPEB	<u>\$ 635,409,822</u>	<u>\$ 578,893,500</u>	<u>\$ 540,638,486</u>

FIRE AND POLICE RETIREE HEALTH CARE FUND, SAN ANTONIO
(A Component Unit of the City of San Antonio, Texas)

Management's Discussion and Analysis

Additions and Deductions

The major additions to the Health Fund are comprised of contributions and investment returns. Contributions increased by 5.1% during the year ended December 31, 2024. The Health Fund's investments for the year ended December 31, 2024 made an 8.4% return. For the year ended December 31, 2023, contributions increased by 6.5%. The Health Fund's investments for the year ended December 31, 2023 made a 4.4% return, compared to the -7.8% return for the fiscal year ended December 31, 2022. The results reflect the market conditions during each period.

The primary deductions from the Health Fund are for medical benefits, including costs related to clinic operations, paid on behalf of retirees, spouses, and dependents. The total of benefits incurred increased by \$10,344,212 in 2024 compared to 2023, and increased by \$9,418,324 in 2023 compared to 2022.

Below is the condensed statement of changes in fiduciary net position for the year ended December 31, 2024, December 31, 2023, and December 31, 2022:

Condensed Statement of Changes in Fiduciary Net Position

	Year Ended 12/31/2024	Year Ended 12/31/2023	Year Ended 12/31/2022
Employer Contributions	\$ 50,324,206	\$ 47,831,824	\$ 45,073,429
Plan Member Contributions	25,158,171	23,920,005	22,532,636
Other Contributions	2,283,051	2,262,261	1,920,185
Net Investment Income (Loss)	48,565,798	23,910,278	(43,970,063)
Total Additions	126,331,226	97,924,369	25,556,187
Benefits Paid	64,832,939	54,488,727	45,070,403
Administrative Expenses	4,981,965	5,180,628	4,095,575
Total Deductions	69,814,904	59,669,355	49,165,978
Net Increase (Decrease) in Net Position	56,516,322	38,255,014	(23,609,791)
Beginning Net Position – Restricted for OPEB	578,893,500	540,638,486	564,248,277
Ending Net Position – Restricted for OPEB	\$ 635,409,822	\$ 578,893,500	\$ 540,638,486

FIRE AND POLICE RETIREE HEALTH CARE FUND, SAN ANTONIO
(A Component Unit of the City of San Antonio, Texas)

Management's Discussion and Analysis

Capital Assets

The Health Fund's capital assets at December 31, 2024, 2023, and 2022 amounts to \$32,068,187, \$32,218,989, and \$28,861,900, respectively, net of accumulated depreciation. The Health Fund invests in furniture, computers, equipment, right-to-use leased assets, and leasehold improvements for the administrative office and the medical clinics. Land did not change in 2024. Right-to-use leased assets decreased in 2024 by \$217,604 due to the expiration of the City Base lease. Refer to Note, V, VI, and X of the notes to the financial statements for more detailed information on capital assets.

Capital Assets, Net of Accumulated Depreciation

	Year Ended 12/31/2024	Year Ended 12/31/2023	Year Ended 12/31/2022
Furniture & Equipment, Net	\$ 1,951,292	\$ 1,640,370	\$ 1,151,880
Leasehold Improvements, Net	619,346	825,792	-
Land	10,314,523	10,588,469	10,588,469
Construction in Progress	-	3,714,840	6,754,480
Buildings, Net	18,526,699	14,575,587	9,224,517
Right-To-Use Leased Assets, Net	656,327	873,931	1,142,554
Total Net Capital Assets	<u>\$ 32,068,187</u>	<u>\$ 32,218,989</u>	<u>\$ 28,861,900</u>

Other Matters

The contribution amounts for each fiscal year are based on contribution rates determined by the Texas State law. The contribution amounts for the year ended December 31, 2024 are \$463.17 for the City of San Antonio and \$271.58 for active members, per bi-weekly pay period. For December 31, 2023 the rates were \$452.53 for the City of San Antonio and \$226.27 for active members, per bi-weekly pay period. For December 31, 2022 the rates were \$441.01 for the City of San Antonio and \$220.50 for active members, per bi-weekly pay period. For December 31, 2021 the rates were \$416.01 for the City of San Antonio and \$208 for active members, per bi-weekly pay period. For fiscal year 2026 the contributions rates will increase to \$508.55 for the City and \$254.27 for active members.

Contact Information

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Health Fund's finances and to show the Health Fund's accountability and financial fiduciary for the contributions it receives. If you have any questions about this report or need additional financial information, contact the Health Fund's office at 11603 W. Coker Loop, Suite 210, San Antonio, Texas 78216.



September 3, 2025

Mr. James Bounds
Executive Director
Fire and Police Retiree Health Care Fund, San Antonio
11603 W. Coker Loop, Suite 130
San Antonio, TX 78216

Re: Fire and Police Retiree Health Care Fund, San Antonio –
Actuarial Valuation as of January 1, 2025

Dear Mr. Bounds:

We are pleased to present to the Board this annual actuarial valuation of the San Antonio Fire and Police Retiree Health Care Fund's (Fund) Other Postemployment Benefits (OPEB) Program. This valuation was performed to determine the current funded status of the Plan.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects all applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board, represent reasonable expectations of anticipated plan experience.

In conducting the valuation, we have relied on personnel and plan design information supplied by Fund personnel, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. Because of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. Due to the limited scope of this report, we did not provide an analysis of these potential differences.

The undersigned are familiar with the immediate and long-term aspects of OPEB valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All sections of this report are considered an integral part of the actuarial opinions.

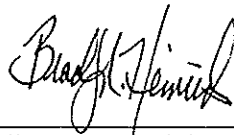
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Fund, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Directors. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully submitted,


Foster & Foster, Inc.

By:



Bradley R. Heinrichs, FSA, EA, MAAA

By:



Colleen M. Atchison, FSA, MAAA

SUMMARY OF RESULTS

The annual actuarial valuation of the Fund's Other Postemployment Benefits Program as of January 1, 2025, has been performed, and the results are presented in this Report.

The following table shows the results of the January 1, 2025 valuation of the Plan and the Actuarially Determined Contribution for the plan/fiscal year ending December 31, 2025:

	January 1, 2024	January 1, 2025
(1) Actuarial Accrued Liability (AAL)	\$ 1,184,955,492	\$ 1,274,395,961
(2) Actuarial Value of Assets (AVA)	632,622,726	676,124,140
(3) Unfunded Actuarial Accrued Liability (UAAL), (1) - (2)	\$ 552,332,766	\$ 598,271,821
(4) Normal Cost contribution rate as a percent of covered payroll	7.98%	8.24%
(5) Level contribution rate required to amortize UAAL as a percent of covered payroll	8.49%	8.42%
(6) Minimum total level required contribution rate, (4) + (5)	16.47%	16.66%
(7) Current contribution rates		
(a) City of San Antonio	14.30%	14.30%
(b) Plan members	7.15%	7.15%
(c) Total	21.45%	21.45%
(8) Assumed covered payroll for year following valuation date	\$ 349,505,995	\$ 381,476,575
(9) Years to amortize UAAL with the ultimate contribution rate in Item (7) in excess of the normal cost in Item (4)	15	15

In order for the Fund to have an adequate contribution arrangement, contributions must be made that are sufficient to pay the plan's normal cost and to amortize the plan's unfunded actuarial accrued liability over 30 years or less. This requirement was added to the state law governing the Fund in 2007. Based on the results of this actuarial valuation, as shown above, the minimum total level required contribution rate as of January 1, 2025 to satisfy the objective of paying the normal cost plus a 30-year amortization of the UAAL is 16.66%. The current contribution rate is 21.45%, and was first effective on October 1, 2021. Since this rate is higher than the rate developed in the current actuarial valuation, no increase in the contribution rate is necessary.

Based on the January 1, 2025 actuarial valuation, the total contribution rate of 21.45% is adequate without additional future increases because the UAAL is expected to be amortized in 15 years at that rate.

Changes since the Prior Valuation

The following changes have been made since the prior valuation:

- The census data reflects changes in status and changes in the actual health care premiums paid on behalf of retirees for the twelve (12) month period since January 1, 2024. The impact of this change on the actuarial accrued liability was approximately +2.0%.
- Per capita health care claims costs were updated to reflect the most recent 36-month experience of the plan, with the 36-month period ending on December 31, 2024. Claims higher than expected resulted in a +1.6% change in actuarial accrued liability.
- Retiree contributions were updated to reflect actual contributions as of January 1, 2025. Contributions did not increase as much as expected, resulting in a +0.03% increase in actuarial accrued liability.
- Retirement rates, termination rates, and disability rates were updated in conjunction with an experience study performed for the pension plan in January of 2025. These updates resulted in a decrease in actuarial accrued liability of -0.2%, but increased the Service Cost by 3.5%.

This actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to constant revision as actual experience is compared with past expectations and new estimates are made about the future.

Calculations are based upon the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing of costs between the employer and plan members to that point. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

IMPACT OF CHANGES DURING THE VALUATION PERIOD

Change Description	Change in Minimum Required Contribution Rate
(1) Expected change due to passage of time and pre-funding of plan	-0.84%
(2) Investment gain due to return on assets higher than expected	-0.01%
(3) Change due to demographic experience different than expected	0.35%
(4) Loss due to unfavorable claims experience	0.44%
(5) Loss due to contribution rate increasing less than expected	0.01%
(6) Loss due to demographic assumption updates	0.24%
(7) Total	0.19%

Minimum Required Contribution Rate as of 1/1/2024	16.47%
Minimum Required Contribution Rate as of 1/1/2025	16.66%
Change	0.19%

30-YEAR PROJECTION OF FUND ASSETS

On the following page, we have provided a 30-year projection of Fund assets. This projection is based on the assumptions outlined in this report, along with additional assumptions regarding new entrants to the plan over time. We have assumed plan members who retire or terminate employment will be replaced so that the active membership remains level.

We have assumed that the current contribution rate of 21.45% of covered payroll remains constant in future years, and that overall payroll growth is 3.50% per year.

Note that the first four rows reflect actual fund assets, benefit payments, contributions, and net investment income. Projection Year 1 and above represent projected values.

30-Year Projection of Fund Assets

Year	Plan Year Ending	Market Value of Assets at Beginning of Year	ADDITIONS			DEDUCTIONS				Market Value of Assets at End of Year
			Contributions	Net Investment Income	Total Additions	Benefit Payments—Current	Benefit Payments—Future	Administrative Expense	Total Deductions	
			\$	\$	\$	\$	\$	\$	\$	\$
12/31/2021		484,060,152	64,586,666	59,256,479	123,843,145	41,701,852	0	1,941,530	43,643,382	564,259,914
12/31/2022		564,248,277	69,526,250	(43,970,063)	25,556,187	47,472,546	0	1,693,432	49,165,978	540,638,485
12/31/2023		540,638,486	74,014,090	23,910,279	97,924,369	57,927,278	0	1,742,077	59,669,355	578,893,500
0	12/31/2024	578,893,500	77,765,428	48,565,798	126,331,226	64,230,281	0	5,564,622	69,814,903	635,409,823
1	12/31/2025	635,409,823	81,826,725	44,903,538	126,730,263	65,087,783	1,447,630	3,152,732	69,688,145	692,451,941
2	12/31/2026	692,451,941	89,845,744	49,011,445	138,857,189	66,547,844	4,439,031	3,435,759	74,422,634	756,886,496
3	12/31/2027	756,886,496	92,990,345	53,478,077	146,468,422	67,437,903	7,624,901	3,755,466	78,818,270	824,536,648
4	12/31/2028	824,536,648	96,245,008	58,188,654	154,433,662	67,687,425	11,006,776	4,091,128	82,785,329	896,184,981
5	12/31/2029	896,184,981	99,613,583	63,185,690	162,799,273	67,622,004	14,609,491	4,446,627	86,678,122	972,306,132
6	12/31/2030	972,306,132	103,100,058	68,498,541	171,598,599	67,082,871	18,703,970	4,824,320	90,611,161	1,053,293,570
7	12/31/2031	1,053,293,570	106,708,560	74,135,722	180,844,282	66,627,800	23,278,265	5,226,158	95,132,223	1,139,005,629
8	12/31/2032	1,139,005,629	110,443,360	80,093,821	190,537,181	66,140,879	28,267,404	5,651,438	100,059,721	1,229,483,089
9	12/31/2033	1,229,483,089	114,308,878	86,383,090	200,691,968	65,471,080	33,615,334	6,100,362	105,186,776	1,324,988,281
10	12/31/2034	1,324,988,281	118,309,688	93,026,090	211,335,778	64,696,034	39,127,699	6,574,233	110,397,966	1,425,926,093
11	12/31/2035	1,425,926,093	122,450,527	100,051,170	222,501,697	64,156,415	44,466,396	7,075,059	115,697,870	1,532,729,920
12	12/31/2036	1,532,729,920	126,736,296	107,507,921	234,244,217	63,562,515	49,373,739	7,604,991	120,541,245	1,646,432,892
13	12/31/2037	1,646,432,892	131,172,066	115,443,383	246,615,449	62,999,586	54,486,731	8,169,155	125,655,472	1,767,392,869
14	12/31/2038	1,767,392,869	135,763,088	123,872,830	259,635,918	62,583,102	59,972,688	8,769,325	131,325,115	1,895,703,672
15	12/31/2039	1,895,703,672	140,514,796	132,803,358	273,318,154	62,119,964	66,014,552	9,405,969	137,540,485	2,031,481,341
16	12/31/2040	2,031,481,341	145,432,814	142,245,064	287,677,878	61,745,329	72,425,819	10,079,661	144,250,809	2,174,908,410
17	12/31/2041	2,174,908,410	150,522,963	152,225,814	302,748,777	61,265,160	78,974,341	10,791,307	151,030,808	2,326,626,379
18	12/31/2042	2,326,626,379	155,791,266	162,779,906	318,571,172	60,584,675	86,060,788	11,544,091	158,189,554	2,487,007,997
19	12/31/2043	2,487,007,997	161,243,961	173,947,231	335,191,192	59,751,824	93,247,391	12,339,861	165,339,076	2,656,860,113
20	12/31/2044	2,656,860,113	166,887,499	185,817,503	352,705,002	58,898,235	99,455,362	13,182,621	171,536,218	2,838,028,897
21	12/31/2045	2,838,028,897	172,728,562	198,465,894	371,194,456	57,791,091	106,459,630	14,081,532	178,332,253	3,030,891,100
22	12/31/2046	3,030,891,100	178,774,061	211,915,155	390,689,216	56,577,202	114,221,875	15,038,462	185,837,539	3,235,742,777
23	12/31/2047	3,235,742,777	185,031,153	226,203,282	411,234,435	55,150,705	122,360,200	16,054,880	193,565,785	3,453,411,427
24	12/31/2048	3,453,411,427	191,507,244	241,341,738	432,848,982	53,602,240	132,114,735	17,134,893	202,851,868	3,683,408,541
25	12/31/2049	3,683,408,541	198,209,997	257,296,423	455,506,420	51,947,780	143,476,848	18,276,077	213,700,705	3,925,214,256
26	12/31/2050	3,925,214,256	205,147,347	274,073,234	479,220,581	50,122,120	155,314,063	19,475,851	224,912,034	4,179,522,803
27	12/31/2051	4,179,522,803	212,327,505	291,704,060	504,031,565	48,086,400	168,147,343	20,737,661	236,971,404	4,446,582,964
28	12/31/2052	4,446,582,964	219,758,967	310,224,447	529,983,414	45,973,155	181,333,358	22,062,742	249,369,255	4,727,197,123
29	12/31/2053	4,727,197,123	227,450,531	329,685,663	557,136,194	43,767,500	195,031,824	23,455,073	262,254,397	5,022,078,920
30	12/31/2054	5,022,078,920	235,411,300	350,126,056	585,537,356	41,371,604	209,677,750	24,918,197	275,967,551	5,331,648,725