

**Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
October 25, 2021**

COVID-19 NOTICE: Due to the COVID-19 Pandemic, special rules are in effect for members of the public who choose to attend this meeting at Martin & Drought, 112 E. Pecan, Suite 1616, San Antonio, Texas 78205. Guidelines issued by the City of San Antonio will be observed: <https://covid19.sanantonio.gov/Home>

To protect the health of the public and limit the potential spread of COVID 19 as directed by Governor of Texas, Bexar County and City of San Antonio, the meeting will be held in compliance with the suspended provisions of the Texas Open Meetings Act. For those members of the public that would like to participate by phone, please call:

Dial-in Information:

Join Zoom Meeting

<https://us06web.zoom.us/j/86344016493?pwd=TDBjd1FGTW4rcll3eXMreWhsdDNzZz09>

Meeting ID: 863 4401 6493

Passcode: 947471

PRESENT: Henry Trevino, Fire Department Retiree Representative;
Chris Lutton, Police Department Representative;
Mike Depres, Retired Police Representative;
Doug Berry, Fire Department Representative; and
Jason Sanchez, Police Department Representative.

ABSENT: Andrew Estrada, Fire Department Representative;
Councilperson John Courage, City of San Antonio;
Councilperson Melissa Cabello Havrda, City of San Antonio; and
Mayoral Appointee Tom Silliman, City of San Antonio.

OTHERS James Bounds, Executive Director,
PRESENT: Cecilia Puga Retiree Health Care; and
Frank Burney, Martin & Drought, P.C.
Vicky Roeder, City of San Antonio

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 October 13, 2021 were reviewed and unanimously approved upon motion by Trustee Trevino and second by Trustee Despres.

EXECUTIVE
SESSION: None.

MEMBERS
TO BE
HEARD: None.

ACTION
ITEMS:

1. Investments: No report from Chair. Several of Trustees met informally with Aether at its office in Denver during IFEBP 2021 Conference, whose performance has been below expectations. Site visits are being planned for several of the managers.
2. Personnel/ Audit: Committee will meet to discuss budget and personnel issues.
3. Benefits: Some Trustees met with PBM Welldyne at their HQ in Denver, Colorado. It was informative for Board to address future drug costs. Future Committee meeting will address possibility of new RFP.
4. Legislative: Mr. Burney reported on the Third Special Session at the Texas Legislature and new Congressional Districts for Bexar County.
5. Administrative Report:
 - a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Despres and second by Trustee Sanchez, a list of expenses and claims and the Financial Report were unanimously approved by the Board.
6. Consultant Report:
 - a. Legal: As previously been discussed, BLBG negotiated an excellent settlement in the Valeant Litigation for \$23+ Million. Upon motion by Trustee Sanchez and second by Trustee Despres, the settlement with Valeant was unanimously ratified and approved.
 - b. Actuarial: None.
7. Educational Opportunities:

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

- FRA: Made In America Taft-Hartley Benefits Summit, February 6-8, 2022.
8. Next Meeting: The next regularly scheduled meeting will be November 22, 2021 at 10:00 a.m. Annual Workshop is scheduled for February 16 and 17, 2022 in Marble Falls, Texas.

ADJOURNMENT: There being no further business, a motion was made by Trustee Trevino and second by Trustee Lutton that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 10:41 a.m.

Enclosures

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

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AGENDA
BOARD OF TRUSTEES MEETING
FIRE AND POLICE RETIREE HEALTH CARE FUND
TO BE HELD AT THE OFFICE OF MARTIN & DROUGHT LOCATED AT
112 E. PECAN STREET, SUITE 1616, SAN ANTONIO, TX 78205
Monday, October 25, 2021-10:00 a.m.

COVID-19 NOTICE: Due to the COVID-19 Pandemic, special rules are in effect for members of the public who choose to attend this meeting. Guidelines issued by the City of San Antonio will be observed: <https://covid19.sanantonio.gov/Home>

To protect the health of the public and limit the potential spread of COVID 19 as directed by Governor of Texas, Bexar County and City of San Antonio, the meeting will be held in compliance with the suspended provisions of the Texas Open Meetings Act with a hybrid format:

*In-person attendance for those Trustees or public that can attend;

*For those that cannot attend, Public or Trustees can join the meeting through: Zoom

<https://us06web.zoom.us/j/86344016493?pwd=TDBjd1FGTW4rcHl3eXMreWhsdDNzZz09>

Meeting ID: 863 4401 6493

Passcode: 947471

For additional information, please call 210-494-6500

Call to Order:

1. Roll Call: Doug Berry, Henry Trevino, Andrew Estrada, Chris Lutton, Michael Despres, Jason Sanchez, Councilperson Melissa Cabello Havrda, Tom Silliman.
2. New Trustee Oath:
3. EXECUTIVE SESSION (Discussion only – Closed to Public):

The Board of Trustees may recess the meeting to the public at any time and hold an Executive Session pursuant to the Texas Open Meetings Act, Chapter 551.071, of the Texas Government Code. Such Act provides for Executive Session on any matter to be considered during the meeting as it relates to consultation with attorneys, real property, personnel and other matters. While any matter on the agenda may also be discussed, these specific matters may be discussed with counsel in Executive Session:

- a. **Government Code §551.072 – Discussions Regarding Purchase, Exchange, Lease, or Value of Real Property if Deliberation in an Open Meeting Would Have a Detrimental Effect on the Position of Health Fund in Negotiations with a Third Party;**

- b. **Government Code §551.071 - All Matters Where Health Fund Seeks the Advice of its Attorney as Privileged Communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas:**
- c. **Pending or Contemplated Litigation; and**
- d. **Government Code §551.074- Personnel Matters involving Senior Executive Staff and Employees of Health Fund.**

4. Minutes (Discussion and possible action):

- Board Meeting Minutes for October 13, 2021

5. Public Comment

6. Committee Reports (discussion and possible action):

a. Investments:

b. Personnel/Audit:

c. Benefits:

- Update on Diabetic Program

d. Legislative:

7. Administrative report (discussion and possible action):

- a. Draft financial reports and list of expenditures

8. Consultant Reports (discussion and possible action):

a. Legal: Report by Frank Burney

- b. Discussion and Possible Action on Approval and Ratification of the Settlement, and Authorization for the Executive Director to Execute any and all Settlement Documents, in the following lawsuit:

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY IN RE
VALEANT PHARMACEUTICALS
INTERNATIONAL, INC. THIRD-PARTY
Civil Action No. 16-3087-(MAS)(LHG)

9. Educational Opportunities (discussion and possible action):

- FRA: Made In America Taft-Hartley Benefits Summit February 6-8, 2022

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 particular order. For those who need assistance due to physical challenges, accommodations can be made by contacting James Bounds at 210-494-6500.

Minutes of the Special Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
October 13, 2021

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Dial-in Information:

<https://us06web.zoom.us/j/85003188126?pwd=c3VNRGppaTZZb0xtWHBNa09OZXNpZz09>

Meeting ID: 850 0318 8126

Passcode: 491308

PRESENT: Henry Trevino, Fire Department Retiree Representative;
Chris Lutton, Police Department Representative;
Doug Berry, Fire Department Representative;
Jason Sanchez, Police Department Representative;
Mike Despres, Police Department Retiree Representative; and
Mayoral Appointee Tom Silliman, City of San Antonio.

ABSENT: Andrew Estrada, Fire Department Representative;
Councilperson Melissa Cabello Havrda, City of San Antonio; and
Councilperson John Courage, City of San Antonio.

OTHERS
PRESENT: James Bounds, Executive Director;
Cecilia Puga Retiree Health Care;
Frank Burney, Martin & Drought, P.C.; and
Kimberly Lopez – Gonzales, Auditor.

At 1:00 p.m., Chair Berry called the meeting to order. The roll was called, and a quorum was declared present.

The oath of office was administered to Mike Despres, Trustee for Retired Police Representative.

The minutes from the meeting held on September 27, 2021 were reviewed and unanimously approved upon motion by Trustee Trevino and second by Trustee Lutton.

EXECUTIVE

SESSION: The Board went into Executive Session at 11:45 p.m. to discuss legal issues regarding investment opportunities. The Board came back into open session at 2:03 p.m. No action was taken.

MEMBERS TO BE

HEARD: None.

ACTION ITEMS:

1. Investments: None.
2. Personnel/ Audit: Kim Lopez-Gonzales presented the audit of the Fund for year ending December 31, 2020. The audit was a “clean” audit with no deficiencies noted. Upon motion by Trustee Sanchez and second by Trust Silliman, the 2020 Audit was unanimously approved.
3. Benefits:
 - a. COBRA Rates: Mr. Bounds recommended a rate of \$526 per month for COBRA participants. Upon motion by Trustee Sanchez and second by Trustee Lutton, the COBRA rates for 2022 were unanimously approved.
 - b. Children’s Rate: Mr. Bounds reviewed the rates for children’s insurance for 2022. Upon motion by Trustee Lutton and second by Trustee Sanchez to adopt a rate of \$350 per member for children’s insurance, the children’s rates for 2022 were unanimously approved.
4. Legislative: None.
5. Administrative Report:
 - a. Expenses: None.
6. Consultant Report:
 - a. Legal: None.

7. Educational Opportunities: None.
8. Next Meeting: The next regularly scheduled meeting will be October 25, 2021 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Lutton and second by Trustee Despres that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 2:03 p.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes
- COBRA and Children's Rates
- Audit Report

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F&P Retiree Health Care Fund - Calendar
Statement of Plan Net Assets
September 30, 2021

	September 30, 2021	December 31, 2020
ASSETS		
Cash - City	\$ 0.00	\$ 0.00
Cash - Trust	324,139.59	0.00
Leasehold Improvements	5,844,522.99	5,844,522.99
Investments - Trust	526,976,638.11	479,992,422.49
Accrued Interest - Trust	1,559,358.04	2,136,365.22
Pre-paid Expenses	501,550.07	18,190.00
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Total Assets	535,206,208.80	487,991,500.70
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LIABILITIES		
Claims Payable	3,698,629.62	3,643,523.02
Accounts Payable	225,579.86	287,825.22
Security Lending Collateral	0.00	0.00
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Total Liabilities	3,924,209.48	3,931,348.24
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Net Assets Held in Trust	\$ 531,281,999.32	\$ 484,060,152.46
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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, 2021

	Current Month	Current Budget	Year to Date	YTD Budget
Additions				
Contributions:				
City of San Antonio	\$ 3,157,025.08	3,413,000.00	\$ 30,042,406.39	30,709,000.00
Active	1,576,820.70	1,708,000.00	15,014,416.74	15,364,000.00
Retirees less than 30	77,589.90	69,000.00	630,063.53	613,000.00
COBRA	0.00	1,800.00	28,517.10	15,600.00
Children	55,770.54	47,000.00	439,603.08	415,000.00
	<u>4,867,206.22</u>	<u>5,238,800.00</u>	<u>46,155,006.84</u>	<u>47,116,600.00</u>
Total Contributions				
Investment Income:				
Interest	256,321.51	424,600.00	2,337,189.10	3,816,200.00
Net Appreciation of Inves	(7,500,241.93)	1,996,000.00	31,782,291.34	17,891,000.00
Other Income	0.00	2,000.00	643,907.30	14,000.00
Less Investment Expense	(42,236.83)	(41,000.00)	(422,051.77)	(367,000.00)
	<u>(7,286,157.25)</u>	<u>2,381,600.00</u>	<u>34,341,335.97</u>	<u>21,354,200.00</u>
Net Investment Income				
Total Additions	<u>(2,418,951.03)</u>	<u>7,620,400.00</u>	<u>80,496,342.81</u>	<u>68,470,800.00</u>
Deductions				
Members Benefit Paymen	2,934,506.68	2,917,000.00	25,881,154.03	26,244,000.00
COBRA Benefit Payment	64.26	1,751.00	708.38	15,747.00
Children's Benefit Payme	14,475.70	47,000.00	182,816.18	417,000.00
General and Administrati	839,619.56	830,250.00	7,209,817.36	7,439,850.00
	<u>3,788,666.20</u>	<u>3,796,001.00</u>	<u>33,274,495.95</u>	<u>34,116,597.00</u>
Total Deductions				
Net Increase	(6,207,617.23)	3,824,399.00	47,221,846.86	34,354,203.00

October 25, 2021

Expenses Paid since last Board Meeting

5611	City Base West	October	7,461.16
5612	Clinic	October	8,364.84
5613	Tezel	October	17,669.17
5614	Mike Despres	Per Diem	360.00
5615	Office	October	6,676.38

10/12/2021	Frost		\$ 265.62
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Expenses to be paid at this Board Meeting

5616	Capital Development	September	\$ 37,985.85
5617	CDS Muery	September	\$ 13,875.00
5618	FCB	September	\$ 355.00
5619	National Sign	September	\$ 21,171.50
5620	PSI	September	\$ 9,577.00
5621	RVK	September	\$ 14,614.98
5622	SWCA	September	\$ 3,364.98
5623	Tarracon	September	\$ 1,900.00
5624	Andrew Estrada	Phone	\$ 70.00
5625	AT&T Mobility	Data	\$ 68.75
5626	Cecilia Puga	Per Diem	\$ 288.00
5627	Donald Clements	Refund	\$ 834.30
5628	Doug Berry	Phone/Per Diem	\$ 358.00
5629	Frost	Jul - Sept 21	\$ 18,842.91
5630	GDC	October	\$ 5,000.00
5631	Henry Trevino	Phone	\$ 70.00
5632	James Bounds	Site Visit	\$ 5,505.00
5633	Jason Sanchez	Phone/Per Diem	\$ 358.00
5634	Lee Munder	Jul - Sept 21	\$ 51,203.50
5635	Christopher Lutton	Phone/Per Diem	\$ 358.00
5636	Martin Drought	September	\$ 14,077.43
5637	Meketa	October	\$ 20,833.33
5638	Mike Despres	Phone/Per Diem	\$ 358.00
5639	Rudd & Wisdom	Valuation	\$ 30,124.30
5640	USI	October	\$ 7,250.00
5641	USI Rx	September	\$ 12,845.50
5642	T-Mobile	October	\$ 83.33

Total	\$ 312,169.83
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Annual Workshop	Deposit	\$ 764.00
IFEBP Annual	Registration	\$ 3,746.84
TexPERS	Registration	\$ 300.42
CPS	Electric	\$ 2,072.35
AT&T	Phone	\$ 53.01
Supplies	sam's	\$ 77.21
Documation	Copier	\$ 397.00
Mailouts	Notices	\$ 968.60
Meeting	Workshop	\$ 129.90
Postage	Elections	\$ 1,704.44
Dues	Express News	\$ 118.55
Frost	Fees	\$ 27.33

Total	\$ 10,359.65
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