

**Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
September 19, 2022**

Meetings of the Health Care Fund are being held under provision of the Texas Open Meeting Act for video conferencing (Chapter 551). A quorum of the Board, and the Chair, will be present at the meeting location: 112 E. Pecan, Suite 1616, San Antonio, TX 78205. Meetings will be visible and audible recording of the meeting. There will be two-way audio and video of the meeting between each Board member sufficient that Board members and public can hear and see them. Health Fund will comply with all Videoconferencing Guidelines.

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

ABSENT: Andrew Estrada, Fire Department Representative;
Jason Sanchez, Police Department Representative;
Councilperson John Courage, City of San Antonio; and
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.

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 August 29, 2021 were reviewed and unanimously approved upon motion by Trustee Depres and second by Trustee Trevino.

**EXECUTIVE
SESSION:** None.

**MEMBERS
TO BE
HEARD:** None.

ACTION
ITEMS:

1. Investments: Mr. Bounds proposed a \$25 Million investment in DRA Fund II (real estate) pending site visit.

Upon a motion by Trustee Despres and second by Trustee Silliman, the Board unanimously approved the investment.

2. Personnel/ Audit: Audit field work completed, and final audit will be presented in October, 2022.

3. Benefits: Ms. Puga recommended that the increase in premiums be split between prescription out-of-pocket and medical out-of-pocket.

Upon a motion by Trustee Despres and second by Trustee Silliman, the allocation of premiums was unanimously approved.

4. Legislative: None.

5. Administrative Report:

- a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Despres and second by Trustee Trevino, a list of expenses and claims and the Financial Report were unanimously approved by the Board.

- b. Property: Mr. Bounds informed the Board of the pending sale of one of the office buildings (#2) on Roger Road. Upon motion by Trustee Silliman and second Trustee Despres, the resolution was unanimously approved (which includes future sales) per attached resolution.

6. Consultant Report:

- a. Legal: Mr. Burney reported on status of WebTPA Arbitration.

- b. Actuarial: Mr. Fenlaw provided on a review of the actuarial report of the Fund effective January 1, 2022. The Fund has a 21-year amortization period for UAAL. A request was made to have the actuary evaluate any cost-savings for clinics/proactive health care.

7. Educational Opportunities: None.

8. Next Meeting: The next regularly scheduled meeting will be October 17, 2022 at 10:00 a.m. Upon motion by Trustee Despres and second by Trustee Lutton unanimously approved.

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 10:48 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 78251
Monday, September 19, 2022-10:00 a.m.

Meetings of the Health Care Fund are being held under provision of the Texas Open Meeting Act for video conferencing (Chapter 551). A quorum of the Board, and the Chair, will be present at the meeting location: 112 E. Pecan Street, Suite 1616, San Antonio, TX 78251. Meetings will be visible and audible to the public at the Host location, and there will be a visual or audio recording of the meeting. There will be two-way audio and video of the meeting between each Board member sufficient that Board members and public can hear and see them. Health Fund will comply with all Videoconferencing Guidelines.

Members of the public may provide comment on any Agenda item, consistent with procedural rules governing the Board meetings and state law. Public comment may be provided as follows:

- a. Written: Submit written comments, along with name and address, by emailing them to Leticia Deleon at leticia.deleon@swbell.net 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 2 minutes (6 minutes if translation is needed).

For those members of the public that would like to participate by Zoom, please use this code:
<https://us06web.zoom.us/j/83921705060?pwd=dzFocUxON3ZneEQzbnZLSXV0Qnhkdz09>

Meeting ID: 839 2170 5060
Passcode: 971906

1. Call to Order:
2. Roll Call: Doug Berry, Henry Trevino, Andrew Estrada, Chris Lutton, Michael Despres, Jason Sanchez, Councilperson Melissa Cabello Havrda, Councilperson John Courage, 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; 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 August 29, 2022
5. Public Comment
6. Committee Reports (discussion and possible action):
- a. Investments:
 - Commit 25 million dollars to DRA Growth and Income Fund XI, LLC pending site visit
 - b. Personnel/Audit:
 - Update on Audit
 - c. Benefits:
 - Approval for deductibles and out-of-pockets
 - d. Legislative:
7. Administrative report (discussion and possible action):
- a. Draft financial reports and list of expenditures for August 2022
 - b. Board Resolutions – Sale of Rogers Road Buildings

RESOLVED that the following action is authorized: The execution by the Chairman of the Board or the Executive Director of one or more Contracts of Sale to sell (i) the buildings (the "Buildings") which are individual units of a condominium regime established on and for the 7.609 acre tract of land in the City of San Antonio, Bexar County, Texas described by metes and bounds on Exhibit "A" attached hereto (the "Property"), (ii) the fixtures, equipment and other personal property owned by Fund and used in connection with and/or relating to the Property and/or the Buildings, (iii) any utility capacities, licenses, permits, approvals, authorizations, and entitlements owned by the Fund, if any, and situated on or

Board Resolutions – Sale of Rogers Road Buildings

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FURTHER RESOLVED that the Chairman of the Board or the Executive Director are authorized to take any and all actions and expend such funds as the Chairman of the Board or Executive Director deems necessary or appropriate in connection with the sale(s) of the Buildings including, without limitation, (i) executing, in consultation with the Fund’s counsel, any amendments to the Contract(s); and (ii) taking such actions as may be deemed necessary or appropriate in order to effectuate the performance by the Fund of its obligations under the Contract(s) or to otherwise effectuate the sale(s) of the Buildings.

FURTHER RESOLVED any and all prior actions taken by the Chairman of the Board or the Executive Director consistent with the foregoing authorizations are hereby ratified and confirmed.

EXHIBIT A

to

Board Resolutions

PROPERTY DESCRIPTION

A 7.609 acre, or 331, 449 square feet more or less, tract of land being all of that same called 7.609 acre tract described in deed to Two Owls Two Aggies, LLC recorded in Document No. 20190192217 of the Official Public Records of Real Property of Bexar County, Texas, out of the Thomas York Survey No. 201 ½, Abstract 825, County Block 4400, now in New City Block (N.C.B.) 17642 of the City of San Antonio, Bexar County, Texas. Said 7.609 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone;

BEGINNING: At a found ½" iron rod with a yellow cap marked "Pape-Dawson", on the northeast right-of-way line of Rogers Road, an 86-foot right-of-way, a portion of which is dedicated in the Westover Hills, Unit 31 Subdivision recorded in Volume 9591, Page 170 of the Deed and Plat Records of Bexar County, Texas and a portion dedicated in the Rogers Road at Culebra Market Subdivision recorded in Volume 9630, Pages 191-192 of the Deed and Plat Records of Bexar County, Texas and the west corner of Lot 3, Block 48 of the Westover Hills, Unit-34 Subdivision recorded in Volume 9593, Pages 87-91 of the Deed and Plat Records of Bexar County, Texas, the south corner of said called 7.609 acres;

THENCE: Along and with the northeast right-of-way line of said Rogers Road, the southwest line of said 7.609 acres the following calls and distances:

Northwesterly, along a curve to the right, said curve having a radial bearing of N 35°22'13" E, a radius of 985.99 feet, a central angle of 21°03'12", a chord bearing and distance of N 44°06'11" W, 360.27 feet, for an arc length of 362.30 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", a point of tangency;

N 33°34'35" W, a distance of 109.97 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", a point of curvature;

Northwesterly, along a tangent curve to the right, said curve having a radius of 657.00 feet, a central angle of 32°57'58", a chord bearing and distance of N 17°05'36" W, 372.82 feet, for an arc length of 378.02 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", on the south line of Lot 1, Block 9 of the Mountain View Acres Subdivision recorded in Volume 3975, Pages 273-274 of the Deed and Plat Records of Bexar County, Texas, the northwest corner of said called 7.609 acres;

THENCE: Departing the northeast right-of-way line of said Rogers Road, along and with the south line of said Block 9, the north line of said called 7.609 acres the following calls and distances:

S 89°22'49" E, a distance of 128.76 feet to a found pinched pipe;

N 89°43'01" E, a distance of 178.94 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 89°48'10" E, a distance of 360.91 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", the northwest corner of the aforementioned Lot 3, the northeast corner of said called 7.609 acres;

THENCE: S 00°59'12" W, departing the south line of said Block 9, along and with the west line of said Lot 3, the east line of said called 7.609 acres, a distance of 382.45 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

THENCE: S 36°45'10" W, a distance of 402.56 feet to the POINT OF BEGINNING and containing 7.609 acres in the City of San Antonio, Bexar County, Texas. Said tract being described in accordance with a survey made on the ground and a survey description and map prepared under job number 9098-20 by Pape-Dawson Engineers, Inc.

8. Consultant Reports (discussion and possible action):

- a. Legal: Report by Frank Burney
- b. Rudd & Wisdom: Presentation of Actuarial Valuation

9. Educational Opportunities (discussion and possible action):

- NCPERS: Public Safety Conference October 23-26, 2022
- Portfolio Advisors Annual Meeting October 27th

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 Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
August 29, 2022

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

ABSENT: Councilperson John Courage, City of San Antonio; and
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.

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 June 27, 2022, were reviewed and unanimously approved upon motion by Trustee Sanchez and second by Trustee Despres.

EXECUTIVE
SESSION: None.

MEMBERS
TO BE
HEARD: None.

ACTION
ITEMS:

1. Investments: Investment Committee will meet tomorrow.

2. Personnel/ Audit: Audit field work is being wrapped up and final audit will be presented in September.
3. Benefits: Ms. Puga suggested changes to medical insurance ID Cards.
4. Legislative: Mr. Burney reported on Committee appointments and Pension Legislation.
5. Administrative Report:
 - a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Despres and second by Trustee Estrada, a list of expenses and claims and the Financial Report were unanimously approved by the Board. Trustee Lutton asked for clarification on line item for insurance.
6. Consultant Report:
 - a. Legal: Arbitration for WEB is scheduled for January, 2023.
 - b. Actuarial: Mark Fenlaw with Rudd & Wisdom provided his reports on:
 - (i) Deductible and Out-of-Pocket Adjustments: No adjustment for Section 4.022 (30 year funding) is required. However, COLA adjustments of 4.5% is required which increases deductible to \$1,042 and out-of-pocket to \$2,914 for retirees.
 - (ii) Contribution Rates: Rudd & Wisdom is requesting an increase of 6% for active member and COSA on contribution rates.
 - (iii) Actuarial Assumptions: minor adjustments to Claims Costs and Costs of Administration.

Upon motion by Trustee Sanchez and second by Trustee Despres, all three actuarial reports were approved, with typo correction and further consideration of deductible and out-of-pocket payments at future meeting.

Chair requested update on Intercept Program focusing on high cost specialty drugs at Annual Meeting.

7. Educational Opportunities:

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

- IFEBP: Certificate Series, September 19-24, 2022
- Portfolio Advisors: Annual Limited Partners Meeting, October 27, 2022

8. Next Meeting: The next regularly scheduled meeting will be September 19, 2022 at 10:00 a.m.

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 11:03 a.m.

Enclosures

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

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F&P Retiree Health Care Fund - Calendar
Statement of Plan Net Assets
August 31, 2022

August 31, 2022 December 31, 2021

ASSETS

Cash - City	\$	0.00	\$	0.00
Cash - Trust		476,073.59		26,516.15
Leasehold Improvements		14,287,371.55		14,287,371.55
Investments - Trust		515,301,938.79		553,010,823.64
Accrued Interest - Trust		2,013,213.66		1,563,376.68
Pre-paid Expenses		767,135.68		53,328.00
		<hr/>		<hr/>
Total Assets		532,845,733.27		568,941,416.02
		<hr/>		<hr/>

LIABILITIES

Claims Payable		4,632,676.02		4,522,968.68
Accounts Payable		96,136.64		158,532.42
Security Lending Collateral		0.00		0.00
		<hr/>		<hr/>
Total Liabilities		4,728,812.66		4,681,501.10
		<hr/>		<hr/>
Net Assets Held in Trust	\$	528,116,920.61	\$	564,259,914.92
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F&P Retiree Health Care Fund - Calendar
Statement of Changes in Plan Net Assets
For the Eight Months Ending August 31, 2022

	Current Month	Current Budget	Year to Date	YTD Budget
Additions				
Contributions:				
City of San Antonio	\$ 3,407,537.68	3,876,000.00	\$ 29,003,909.52	31,002,000.00
Active	1,703,104.00	1,938,000.00	14,503,271.57	15,501,000.00
Retirees less than 30	120,746.58	92,000.00	871,902.63	731,000.00
COBRA	6,948.00	2,000.00	29,641.06	13,000.00
Children	46,200.00	36,000.00	327,600.00	293,000.00
Total Contributions	<u>5,284,536.26</u>	<u>5,944,000.00</u>	<u>44,736,324.78</u>	<u>47,540,000.00</u>
Investment Income:				
Interest	96,637.85	334,000.00	1,330,783.56	2,667,000.00
Net Appreciation of Inves	(6,700,380.41)	2,964,000.00	(35,007,021.07)	23,177,000.00
Other Income	0.00	2,000.00	86,931.21	13,000.00
Less Investment Expense	<u>(27,833.33)</u>	<u>(13,000.00)</u>	<u>(241,971.07)</u>	<u>(95,000.00)</u>
Net Investment Income	<u>(6,631,575.89)</u>	<u>3,287,000.00</u>	<u>(33,831,277.37)</u>	<u>25,762,000.00</u>
Total Additions	<u>(1,347,039.63)</u>	<u>9,231,000.00</u>	<u>10,905,047.41</u>	<u>73,302,000.00</u>
Deductions				
Members Benefit Paymen	2,580,140.42	2,654,000.00	23,717,693.78	21,227,000.00
COBRA Benefit Payment	1,750.19	1,000.00	5,361.91	13,000.00
Children's Benefit Payme	63,830.57	37,000.00	316,528.19	292,000.00
General and Administrati	<u>2,238,408.68</u>	<u>947,400.00</u>	<u>23,008,457.84</u>	<u>7,714,200.00</u>
Total Deductions	<u>4,884,129.86</u>	<u>3,639,400.00</u>	<u>47,048,041.72</u>	<u>29,246,200.00</u>
Net Increase	<u>(6,231,169.49)</u>	<u>5,591,600.00</u>	<u>(36,142,994.31)</u>	<u>44,055,800.00</u>

September 19, 2022

Expenses Paid since last Board Meeting

5901	City Base West	September	\$	7,461.16
5902	Foresite	September	\$	6,191.64
5903	Jason Sanchez	Per Diem	\$	864.00
5904	Clinic	September	\$	8,332.42
5905	Tezel	September	\$	17,669.17
5906	Werling	Retainer	\$	1,800.00
5907	Office	September	\$	6,623.48

9/12/2022	Frost		\$	157.32
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Expenses to be paid at this Board Meeting

5908	Andrew Estrada	Phone	\$	70.00
5909	AT&T Mobility	Data	\$	68.75
5910	Cecilia Puga	Per Diem	\$	1,093.92
5911	Debra Silva	Per Diem	\$	360.00
5912	Doug Berry	Phone/Per Diem	\$	500.00
5913	GDC	September	\$	5,000.00
5914	Henry Trevino	Phone	\$	70.00
5915	James Bounds	Per Diem	\$	360.00
5916	Jason Sanchez	Phone/Per Diem	\$	430.00
5917	Leslie Martinez	Per Diem	\$	216.00
5918	Leticia Deleon	Per Diem	\$	360.00
5919	Christopher Lutton	Phone/Per Diem	\$	430.00
5920	Meketa	September	\$	20,833.33
5921	Mike Despres	Phone/Per Diem	\$	860.00
5922	Rudd & Wisdom	Rates	\$	4,683.50
5923	Thomas Silliman	Per Diem	\$	360.00
5924	USI	September	\$	7,750.00
5925	T-Moble	September	\$	83.33

Total	\$	92,628.02
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IFEBP	DC	\$	1,602.00
IFEBP	Annual	\$	8,638.90
Meeting	Deposit	\$	1,356.56
CPS	Electric	\$	3,005.94
AT&T	Phone	\$	540.76
Supplies	sam's	\$	102.50
Documation	Copier	\$	438.69
Meeting	Workshop	\$	437.22
Postage	Claim Forms	\$	253.74
Dues	Paper	\$	74.00
Frost	Fees	\$	24.59

Total	\$	16,474.90
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