

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

Meetings of the Health Care Fund are being held under provision of the Texas Open Meeting Act for video conferencing (Chaper 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;
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 PRESENT: James Bounds, Executive Director,
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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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, August 29, 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/83627837077?pwd=cIRuK2JtcXZRN0x6Y1BJK0NEWEhwUT09>

Meeting ID: 836 2783 7077
Passcode: 550959

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 June 27, 2022

5. Public Comment

6. Committee Reports (discussion and possible action):

- a. Investments:
- b. Personnel/Audit:
 - Update on Audit
- c. Benefits:
 - Revised insurance cards
- d. Legislative:

7. Administrative report (discussion and possible action):

- a. Draft financial reports and list of expenditures for July 2022

8. Consultant Reports (discussion and possible action):

- a. Legal: Report by Frank Burney
- b. Rudd & Wisdom:
 - Accept the letter setting contribution rates for 2023
 - Accept the letter setting deductibles and out-of-pockets for calendar year 2023
 - Set assumptions for Actuarial Valuation

9. Educational Opportunities (discussion and possible action):

- IFEBP: Certificate Series September 19-24, 2022
- Portfolio Advisors: Annual Limited Partners Meeting October 27, 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 Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
June 27, 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; and
Mayoral Appointee Tom Silliman, City of San Antonio.

ABSENT: Jason Sanchez, Police Department Representative;
Councilperson John Courage, City of San Antonio; and
Councilperson Melissa Cabello Havrda, City of San Antonio.

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

At 10:03 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 May 23, 2022 were reviewed and unanimously approved upon motion by Trustee Despres and second by Trustee Silliman.

EXECUTIVE

SESSION: The Board went into Executive Session at 10:25 a.m. to discuss legal issues regarding members benefits and investment. The Executive Session adjourned at 10:56 a.m.

MEMBERS
TO BE

HEARD: None.

ACTION
ITEMS:

1. Investments: Next meeting will be August 30, 2022, at 10:00 a.m.
2. Personnel/ Audit: Audit field work will begin July 11, 2022.
3. Benefits: Ms. Puga commented on updated contract from Welldyne. Upon motion by Trustee Despres and second by Trustee Silliman, the Board unanimously approved extension of the revised contract subject to legal review.
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 Silliman, a list of expenses and claims and the Financial Report were unanimously approved by the Board.
 - b. Clinics: Construction/finish-out of clinics is underway. Mr. Bounds recommends that Barney Randall be employed as a consultant to the Board on construction/finishing-out clinics at no more than \$2,000 per clinic per month on a month-to-month basis until completion of clinics, to be reviewed after six (6) months. Upon motion by Trustee Silliman and second by Trustee Despres, the Board unanimously approved engagement of Mr. Randall.

Upon motion by Trustee Silliman and second by Trustee Despres, the Board unanimously approved items 5 c, d, and e:

- c. Sonterra Medical Park Tract: Authorization of the execution by the Chairman of the Board or the Executive Director of a Contract of Sale with M2G STONE OAK, LTD., a Texas limited partnership (the "Contract") for the purchase of an unimproved 3.006-acre tract of land in the Sonterra Medical Park Subdivision in the City of San Antonio, Bexar County, Texas (the "Property") containing the following material terms: (a) a purchase price of not greater than \$1,802,840.00; (b) earnest money in the amount of \$27,000.00 due upon Contract execution; (c) a 90-day feasibility period during which the earnest money is refundable; (c) additional non-refundable earnest money in the amount of \$50,000.00 due upon the expiration of the of the feasibility period; and (d) closing to occur 30 days following the end of the feasibility period.

Authorization for the Chairman or the Executive Director to take any and all actions and expend such funds as the Chairman or Executive Director deems necessary or useful in connection with the acquisition of the Property including, without limitation, (i) conducting a thorough due diligence investigation of the Property by the Fund's professional consultants during the feasibility period to determine if the Property is suitable for the Fund's purposes; (ii) executing, in consultation with the Fund's counsel, any amendments to the Contract; and (iii) taking such actions as may be deemed necessary in order to effectuate the performance by the Fund of its obligations under the Contract or to otherwise effectuate the acquisition of the Property.

Ratification of any and all prior actions taken by the Chairman of the Board or the Executive Director consistent with the foregoing authorization.

- d. Roosevelt Heights Tract: Authorization of the execution by the Chairman of the Board or the Executive Director of a Contract of Sale with WE-ROOSEVELT, L.P., a Texas limited partnership (the "Contract") for the purchase of an unimproved 1.2-acre tract of land on S.E. Loop 410 near the northwest corner of S.E. Loop 410 and Roosevelt Avenue in the City of San Antonio, Bexar County, Texas (the "Property") containing the following material terms: (a) a purchase price of not greater than \$940,896.00; (b) earnest money in the amount of \$27,000.00 due upon Contract execution; (c) a 90-day feasibility period during which the earnest money is refundable; and (d) closing to occur 30 days following the end of the feasibility period.

Authorization for the Chairman or the Executive Director to take any and all actions and expend such funds as the Chairman or Executive Director deems necessary or useful in connection with the acquisition of the Property including, without limitation, (i) conducting a thorough due diligence investigation of the Property by the Fund's professional consultants during the feasibility period to determine if the Property is suitable for the Fund's purposes; (ii) executing, in consultation with the Fund's counsel, any amendments to the Contract; and (iii) taking such actions as may be deemed necessary in order to effectuate the performance by the Fund of its obligations under the Contract or to otherwise effectuate the acquisition of the Property.

Ratification of any and all prior actions taken by the Chairman of the Board or the Executive Director consistent with the foregoing authorization.

- e. Wurzbach Parkway Tract: Authorization of the execution by the Chairman of the Board or the Executive Director of a Contract of Sale with 4348 WP, LLC, a Texas limited liability company, and LOCKHILL MOSAIC, LLC, a Texas limited liability company (the "Contract") for the purchase of an unimproved 4.348-acre tract of land situated at the northwest corner of Wurzbach Parkway and San Pedro Avenue in the City of San Antonio, Bexar County, Texas (the "Property") containing the following material terms: (a) a purchase price of not greater than \$2, 681,584.00; (b) earnest money in the amount of \$50,000.00 due upon Contract execution; (c) a 75-day feasibility period during which the earnest money is refundable; and (d) closing to occur 15 days following the end of the feasibility period.

Authorization for the Chairman or the Executive Director to take any and all actions and expend such funds as the Chairman or Executive Director deems necessary or useful in connection with the acquisition of the Property including, without limitation, (i) conducting a thorough due diligence investigation of the Property by the Fund's professional consultants during the feasibility period to determine if the Property is suitable for the Fund's purposes; (ii) executing, in consultation with the Fund's counsel, any amendments to the Contract; and (iii) taking such actions as may be deemed necessary in order to effectuate the performance by the Fund of its obligations under the Contract or to otherwise effectuate the acquisition of the Property.

Ratification of any and all prior actions taken by the Chairman of the Board or the Executive Director consistent with the foregoing authorization.

- f. HQ Office Lease: Upon motion by Trustee Silliman and second by Trustee Despres, the Board unanimously approved extension of the office lease with Pension Fund for three (3) years. Mr. Bounds also is instructed to discuss extension of the term for additional two (2) years.
- 6. Consultant Report:
 - a. Legal: Mr. Burney reported on NAPPA Legal Education Conference.
 - b. Actuarial: None.
 - 7. Educational Opportunities: None.

8. Next Meeting: The next regularly scheduled meeting will be July 25, 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

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Rudd and Wisdom, Inc.

CONSULTING ACTUARIES

Mitchell L. Bilbe, F.S.A.
Evan L. Dial, F.S.A.
Philip S. Dial, F.S.A.
Charles V. Faerber, F.S.A., A.C.A.S.
Mark R. Fenlaw, F.S.A.
Brandon L. Fuller, F.S.A.
Shannon R. Hatfield, F.S.A.

Christopher S. Johnson, F.S.A.
Oliver B. Kiel, F.S.A.
Dustin J. Kim, F.S.A.
Edward A. Mire, F.S.A.
Rebecca B. Morris, A.S.A.
Amanda L. Murphy, F.S.A.

Michael J. Muth, F.S.A.
Khiem Ngo, F.S.A., A.C.A.S.
Timothy B. Seifert, F.S.A.
Chelsea E. Stewart, F.S.A.
Raymond W. Tilotta
Ronald W. Tobleman, F.S.A.
David G. Wilkes, F.S.A.

August 29, 2022

Via E-Mail: faprhcf@swbell.net

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

Re: Contributions for Fiscal Year 2022-2023

Dear Board Members:

The state law governing the Fire and Police Retiree Health Care Fund, San Antonio (the Fund) defines how contribution amounts to the Fund are determined each fiscal year, including the contribution rates for the members of the Fund and for the City of San Antonio. The contribution amounts for each fiscal year, beginning October 1, 2007, have been determined in advance by the Fund's actuary based on the state law governing the Fund (Article 6243g, Vernon's Texas Civil Statutes).

This letter, including the attached appendix, provides documentation supporting the contribution amounts for fiscal year 2022-2023. The table below compares the amounts for 2022-2023 to those for 2021-2022. The reason for the higher increase for the biweekly contributions compared to the monthly contribution is that there are 27 biweekly pay periods in the 2021-2022 fiscal year, but there will be 26 biweekly pay periods in the 2022-2023 fiscal year. Usually there are 26 biweekly pay periods in both fiscal years, and then the percentage increases are all the same.

	FY2021-2022	FY2022-2023	Increase
Biweekly Contributions			
• Fire and Police members	\$208.00	\$220.50	6.0%
• City of San Antonio for each member	416.01	441.01	6.0
Monthly Contributions for retirees with under 30 years of service	468.01	477.75	2.1

The attached appendix follows the two key sections of the state law governing the Fund that have been in effect each year since October 1, 2007 (Sections 4.02 and 4.021) and a third key section

that has resulted in increases in the contribution rates since 2017 (Section 4.022). The first steps were to determine the estimated average member biweekly pay, one for the police and one for the firefighters, for the upcoming fiscal year reflecting anticipated pay increases. The current collective bargaining agreement for the police includes a 3.5% across-the-board wage increase effective April 1, 2023. For the firefighters, the collective bargaining agreement has a 2.5% across-the-board wage increase effective January 1, 2023. Then we determined the average for both police and firefighters together.

Section 4.022 was added to the state law governing the Fund in 2007 and gave 10 years to see if the original contribution rate of 9.4% for the city and the 4.7% contribution rate for the fire and police members (after an initial five-year phase in) would be adequate both to pay the Fund's normal cost and to amortize the Fund's unfunded actuarial accrued liability (UAAL) in 30 years or less. If not, then the city and member contribution rates would be mandatorily increased as often as annually commencing October 1, 2017 based on the then most recent actuarial valuation of the Fund. The maximum increase for a year is 10%.

Currently, the most recently completed actuarial valuation is as of January 1, 2021. That report dated September 23, 2021 indicated no additional increase in the contribution rates beginning October 1, 2022 is required. There have previously been four 10% increases and a 3.9% increase as a result of Section 4.022. Without any additional contribution rate increases after October 1, 2021, the UAAL amortization period was 25 years in the January 1, 2021 actuarial valuation.

The table below shows the required contributions for the city's fiscal year 2022-2023 under the column heading "After". The amounts under the heading "Before" were determined before the mandatory Section 4.022 increases. **The Board of Trustees should approve the amount of the contributions for the city's fiscal year beginning October 1, 2022 from the "After" column, in accordance with Section 4.022 of the state law governing the Fund.** The "After" contribution amounts are based on the contribution rates, for the second consecutive fiscal year, of 14.3% for the city and 7.15% for the fire and police members.

	Before Increases of Section 4.022	After Increases of Section 4.022
Biweekly Contributions		
• Fire and Police members	\$144.95	\$220.50
• City of San Antonio for each member	\$289.89	\$441.01
Monthly Contributions for each retiree with under 30 years of service who retires after October 1, 2007	\$314.06	\$477.75

There will be no Section 4.022 increase for the maximum deductible and out-of-pocket payments effective for calendar year 2023. However, there was a separate letter to the board that shows the annual adjustment for medical care inflation for the maximum deductible and out-of-pocket

Board of Trustees

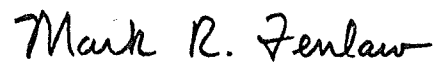
Page 3

August 29, 2022

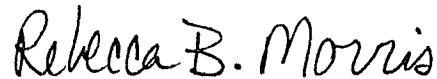
payments effective January 1, 2023 according to Section 5.01(h) of the state law governing the Fund.

We certify that we are members of the American Academy of Actuaries who meet Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. Please let us know if you have any questions about this report.

Sincerely,



Mark R. Fenlaw, F.S.A.



Rebecca B. Morris, A.S.A.

MRF/RBM:nlg

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Appendix to August 29, 2022 Letter
Fire and Police Retiree Health Care Fund, San Antonio
Contributions for Fiscal Year 2022-2023 According to the Essence of
Sections 4.02, 4.021, and 4.022 of Article 6243q, Vernon's Texas Civil Statutes

1. The City of San Antonio provided a file containing the base pay plus longevity amounts for each member of the Fund for the biweekly pay period ending on June 10, 2022.
2. Rudd and Wisdom, Inc. determined the total of the biweekly pay for all police members and for all fire members in the file who were active for both weeks of the pay period. The totals below exclude any who became inactive or withdrew during the pay period. The police totals exclude 42 in the academy who were active for only the second week of the pay period.

	Police	Fire	Total
a. Biweekly base pay plus longevity amounts paid 6/10/2022 to actives	\$7,342,052	\$4,996,744	\$12,338,796
b. Number of active members	2,329	1,744	4,073
3. Average member biweekly pay in June, 10, 2022 payroll (Item 2.a. ÷ Item 2.b.)	\$3,152.45	\$2,865.11	\$3,029.41
4. Estimated increase in average biweekly pay from June 10, 2022 to fiscal year 2022-2023 average biweekly pay ¹	1.75%	1.875%	
5. Estimated average member biweekly pay in fiscal year 2022-2023 [Item 3 increased by Item 4)]	\$3,207.61	\$2,918.82	
6. Weighted average estimated biweekly pay for both police and fire together in fiscal year 2022-2023			\$3,083.96
7. Biweekly contributions to the Fund for fiscal year 2022-2023			
a. Members (Item 6 x 7.15%)			\$220.50
b. City (Item 6 x 14.30%)			\$441.01
8. Monthly contributions to the Fund for fiscal year 2022-2023 by each retiree with under 30 years of service [(Item 7.a. x 26 ²) ÷ 12]			\$477.75

¹ The current collective bargaining agreement for police has a 3.5% across-the-board wage increase effective April 1, 2023. The collective bargaining agreement for the firefighters has a 2.5% across-the-board wage increase effective January 1, 2023. The estimated increases shown in Item 6 reflect the portion of the fiscal year the across-the-board increases will be in effect.

² There will be 26 biweekly pay periods in fiscal year 2022-2023.

Rudd and Wisdom, Inc.

CONSULTING ACTUARIES

Mitchell L. Bilbe, F.S.A.
Evan L. Dial, F.S.A.
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Raymond W. Tilotta
Ronald W. Tobleman, F.S.A.
David G. Wilkes, F.S.A.

August 19, 2022

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

Re: Maximum Deductible and Maximum Out-of-Pocket Payments for Calendar Year 2023

Dear Board Members:

The state law governing the Fire and Police Retiree Health Care Fund (the Fund) defines the dollar amount of the maximum deductible and the maximum out-of-pocket payments for each of the five calendar years 2008-2012. It then instructs the board to increase those amounts each January 1 beginning January 1, 2013. The basis for the increase in Section 5.01(h) of the state law governing the Fund is to be "the then most recently published annual percentage increase in health care costs as set out in a published index selected by the actuary that reflects annual changes in health care costs." That subsection limits the annual increase to 8%.

In accordance with that subsection of state law, we have selected the medical care category of the Consumer Price Index for all Urban Consumers (CPI-U) published monthly by the Bureau of Labor Statistics of the U.S. Department of Labor. The annual percentage increase in the CPI-U for all items from June 2021 to June 2022 was 9.1%, while the annual percentage increase for medical care was 4.5% (see Exhibit 1). This 4.5% increase is to be applied to the 2022 amounts to determine the 2023 amounts for your review and adoption.

Section 4.022 of the state law governing the Fund is not applicable this year for the first time in six years. This section states that if the actuary determines, beginning in 2017, that the number of years required to fully amortize the unfunded liability of the Fund is more than 30 years, then the board is to increase the contributions by a percentage not to exceed 10% per year and to increase the maximum deductible and maximum out-of-pocket payments by a percentage not to exceed 10% per year.

Since there is no change in accordance with Section 4.022 this year, the board should increase the maximum deductible and the maximum out-of-pocket payments effective January 1, 2023 by the

Section 5.01(h) 4.5% increase. In the table below, we applied the 4.5% increase to the 2022 amounts to determine the 2023 amounts for your review and adoption.

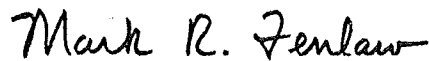
	Amount for Each Individual	
	Calendar Year 2022	Calendar Year 2023
Maximum deductible	\$997	\$1,042
Maximum out-of-pocket payments		
• including maximum deductible	\$3,786	\$3,956
• excluding maximum deductible	\$2,789	\$2,914

According to the process started in 2012 for the increases to be effective on the next January 1, the Section 5.01(h) increase is based on the annual percentage increase from June of the prior year to June of the current year. The rounded dollar amounts for the next calendar year are determined and communicated in writing to the board for their review and adoption. These dollar amounts are “in-network” amounts for each individual.

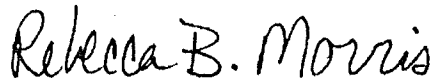
Attached as supplemental information is Exhibit 1 which shows a twenty-year history of annual changes in the CPI-U, both for all items and for medical care, for 12-month periods ending in June. We certify that we are members of the American Academy of Actuaries who meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report.

Please let us know if you have any questions.

Sincerely,



Mark R. Fenlaw, F.S.A.



Rebecca B. Morris, A.S.A.

MRF/RBM:nlg

cc: Mr. James Bounds

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Exhibit 1

Historical Annual Rates of Increase for 12-Month Periods Ending in June for the Consumer Price Index for All Urban Consumers (CPI-U) for All Items and for the Medical Care Category

12-Month Period Ending in June	Increase in the CPI-U	
	For All Items	For Medical Care
2003	2.1%	4.1%
2004	3.3	4.6
2005	2.5	4.2
2006	4.3	4.1
2007	2.7	4.0
2008	5.0	4.0
2009	-1.4	3.2
2010	1.1	3.5
2011	3.6	2.9
2012	1.7	4.0
2013	1.8	2.1
2014	2.1	2.6
2015	0.1	2.5
2016	1.0	3.6
2017	1.6	2.7
2018	2.9	2.5
2019	1.6	2.0
2020	0.6	5.1
2021	5.4	0.4
2022	9.1	4.5
Average Annual Increase Over		
• the last 20 years	2.5	3.3
• the last 10 years	2.6	2.8

Rudd and Wisdom, Inc.

CONSULTING ACTUARIES

Mitchell L. Bilbe, F.S.A.
Evan L. Dial, F.S.A.
Philip S. Dial, F.S.A.
Charles V. Faerber, F.S.A., A.C.A.S.
Mark R. Fenlaw, F.S.A.
Brandon L. Fuller, F.S.A.
Shannon R. Hatfield, F.S.A.

Christopher S. Johnson, F.S.A.
Oliver B. Kiel, F.S.A.
Dustin J. Kim, F.S.A.
Edward A. Mire, F.S.A.
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Amanda L. Murphy, F.S.A.

Michael J. Muth, F.S.A.
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Chelsea E. Stewart, F.S.A.
Raymond W. Tilotta
Ronald W. Tobleman, F.S.A.
David G. Wilkes, F.S.A.

August 26, 2022

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

Re: Recommended Actuarial Assumptions for
January 1, 2022 Actuarial Valuation

Dear Board Members:

As a part of the process of performing the January 1, 2022 actuarial valuation of the Fire and Police Retiree Health Care Fund, San Antonio (the Fund), we are presenting our recommended actuarial assumptions to you. They are based upon a review of (1) the actuarial assumptions we used for the January 1, 2021 actuarial valuation, (2) the recently completed January 1, 2022 actuarial valuation of the San Antonio Fire and Police Pension Fund (the Pension Fund), and (3) the experience of the Fund during the fiscal year ending December 31, 2021. This report documents our review of the actuarial assumptions and recommended changes.

Summary of Key Changes

We recommend new assumed claims costs which average approximately 95% of the prior assumption for 2022. The only other change we recommend is to increase the assumed level of administrative expenses from 0.50% of payroll to 0.52% of payroll. These expenses exclude third party administrator claims-related expenses and expenses related to the rent and operation of the Fund's clinics. There are no other recommended assumption changes. The Pension Fund used the same assumptions as in its January 1, 2021 actuarial valuation.

Claims Costs Assumption

Our summary analysis of claims in Exhibit 2 on page 10 shows that the actual accrued claims plus claims-related expenses plus the operational costs related to the clinics for the fiscal year ending December 31, 2021 were 0.9% more than expected based on our prior valuation. We expect some variance from year to year in the actual claims compared to the expected claims because of the relatively small size of the number of retirees and spouses covered by the Fund.

Because of the expected year-to-year variance of the Fund's experience, we relied again on Rudd and Wisdom's much larger experience database. The recommended claims costs assumption was based on Rudd and Wisdom's 2020 and 2021 experience databases, adjusted for benefit design differences and pandemic effects and increased to make them appropriate for the fiscal year beginning January 1, 2022. The comparison of the recommended assumption for 2022 to the prior assumption revealed that the recommended claims costs are mostly from 1% to 3% less than the prior assumption for 2022 at ages under 65 and 4% to 8% less at ages 65 and above. **The net effect of the recommended claims costs assumption will be to decrease projected benefits in 2022 by about 5% compared to the prior assumption.** A sample of the comparison is shown in Exhibit 3.

Claims Costs Increase (Trend) Assumption

We are recommending the same claims costs increase assumption, which is a typical pattern of increases in the claims costs starting at 6.25% for 2023 and gradually decreasing 0.50% per year over the four years 2024 to 2027 to an ultimate annual increase of 4.25%.

The trend assumption for other Rudd and Wisdom client health plans often begins with an annual increase of 8.0% or 7.5%, then decreasing by 0.5% per year until attaining the ultimate annual increase. However, we are recommending a 6.25% increase for the 2023 increase to give some anticipation of the potential cost-reducing effect of the Fund's clinics. In addition, the ultimate trend assumption for other Rudd and Wisdom client health plans is usually higher than the 4.25% per year ultimate trend we are recommending for the Fund. We have used the somewhat lower 4.25% to anticipate (1) the cost-reducing effect of the Fund's annual increasing of the deductible amount and the out-of-pocket maximum payment by the rate of increase in the medical component of the Consumer Price Index and (2) the potential cost-reducing effect of the Fund's clinics. We believe that the net effect of the combination of the recommended initial claims costs assumption and the recommended claims costs increase assumption is appropriate for the Fund.

Investment Return Assumption Rationale

The theoretical building block approach used in our review of the investment return assumption (Exhibit 1 on pages 5 and 6) is based upon the current target asset allocation, assumed real rates of return for each asset class, an assumed rate of investment expenses for each asset class and an assumed rate of inflation, with all assumptions for the long-term future. The recommended investment return assumption is 7% net of investment-related expenses, the same as the assumption used in the prior actuarial valuation.

Exhibit 1 (page 5) shows the theoretical total annual rate of investment return developed with the building block approach. Assuming 2.75% inflation, the rate is 8.05% based on the current

target allocation. We believe 2.75% is a reasonable rate of inflation for the long-term future, and that a 7% investment return, net of investment-related expenses, is a reasonable actuarial investment return assumption. It consists of a net real rate of return of 4.25% based on the Fund's current target asset allocation and 2.75% inflation.

Exhibit 1 includes a summary of both historical and forecast rates of inflation (page 6). Considering the average annual increases in the CPI-U over historical periods of 30 to 65 years and the Social Security forecasts, we believe that reasonable assumed rates of inflation for the long-term future range from 2.25% to 3.25%. Our recommended 2.75% assumption is in the middle of our range. For your reference, the investment return assumption as well as the inflation assumption for the large local and statewide retirement systems (page 8) is included in Exhibit 1.

On page 5, the investment-related expenses for the current target allocation are somewhat high for a fund of the Fund's size at 0.64%. This reflects the significant investments in alternative classes, which have higher expenses than other asset classes. For the estimated investment-related expenses, there are two ways that expenses are paid. Either the Fund pays the fees directly or absorbs the costs indirectly in reductions in assets similar to the approach used by mutual funds. We relied on an analysis of both direct and indirect investment-related expenses for each asset class provided by the Meketa Investment Group.

Summary Recommendation

We recommend for your approval the actuarial assumptions and methods for the Fund's January 1, 2022 actuarial valuation which are shown in Exhibits 3 and 4. For comparison we show the actuarial assumptions and methods used in the prior actuarial valuation of the Fund. For additional comparison, Exhibit 4 shows the actuarial assumptions and methods used by the Pension Fund in their January 1, 2022 actuarial valuation. **In our opinion, these recommended assumptions for the Fund's January 1, 2022 actuarial valuation are reasonably related to the experience of the Fund and represent a reasonable estimate of anticipated experience of the Fund, in the aggregate and individually, over the long-term future.**

Characteristics of Assumptions

The results of an actuarial valuation do not determine either the year by year costs or the ultimate cost of your retiree health benefit program. The ultimate cost will be the total benefits and expenses paid by the Fund in excess of the total investment return of the Fund. However, the valuation results can determine whether the existing contribution arrangement can reasonably be expected to be adequate over a long period of time or whether additional statutory mandatory adjustments in Texas state law governing the Fund will be required next

Board of Trustees

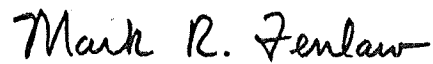
Page 4

August 26, 2022

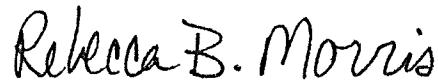
year in order to have adequate contributions over a long period of time. The accuracy and usefulness of actuarial valuations are dependent upon the use of actuarial assumptions that will reasonably estimate the Fund's future experience as it unfolds over a long period of time.

We certify that we are members of the American Academy of Actuaries who meet Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report.

Sincerely,



Mark R. Fenlaw, F.S.A.



Rebecca B. Morris, A.S.A

MRF/RBM:nlg

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Exhibit 1

Fire and Police Retiree Health Care Fund, San Antonio Review of the Actuarial Economic Assumptions for the January 1, 2022 Actuarial Valuation Asset Allocation and Investment Return Assumption Development

	Gross Annual Real Rate of Investment Return (ROR) ^(A)	Investment Management Expenses ^(B)	Asset Allocation		
			12/31/21 Actual ^(C)	12/31/21 Target ^(C)	Current Target ^(D)
Equities					
Domestic Small/Mid Cap	7.0%	0.56%	6.3%	5%	5%
Domestic Large Cap	6.5	0.04	15.9	15	15
International Developed	7.0	0.45	7.7	8	6
Emerging Markets	8.5	0.29	<u>6.3</u>	<u>8</u>	<u>8</u>
			36.2	36	34
Fixed Income					
Domestic Core Plus	2.5	0.30	7.3	8	5
Domestic High Yield	3.5	0.71	2.8	3	4
TIPS	1.5	0.04	4.8	5	4
Bank Loans	3.0	0.37	4.0	4	5
Emerging Market	3.0	0.71	<u>2.7</u>	<u>3</u>	<u>3</u>
			21.6	23	21
Alternatives					
Real Estate	5.5	1.87	5.2	7	10
Natural Resources	5.0	0.91	7.3	3	0
Private Equity	8.5	0.67	20.1	18	20
Private Debt	5.0	0.58	<u>8.9</u>	<u>12</u>	<u>14</u>
			41.5	40	44
Cash					
	0.1	0.10	<u>0.7</u>	<u>1</u>	<u>1</u>
			100.0%	100%	100%
<u>Weighted Average Assumption</u>					
Gross Real ROR			5.91%	5.82%	5.94%
Investment Expenses ^(E)			<u>-0.59</u>	<u>-0.59</u>	<u>-0.64</u>
Net Real ROR			5.32%	5.23%	5.30%
<u>Possible Theoretical Annual Investment Return Assumption (Total Net Annual ROR) – Net Real ROR Plus Assumed Annual Rate of Inflation</u>					
Assumed 2.75% Inflation			8.07%	7.98%	8.05%

^(A) A gross annual real rate of investment return is the total annual rate of investment return, before any expenses, that is in excess of the assumed annual inflation rate. These are long-term assumptions made by Rudd and Wisdom, Inc.

^(B) These assumed investment management expenses are primarily based on information from the Meketa Investment Group for both direct and indirect expenses as of December 31, 2021.

^(C) This allocation is from the December 31, 2021 performance review and report by the Meketa Investment Group.

^(D) This target allocation was adopted in February 2022.

^(E) Weighted average investment management expenses, direct and indirect, plus 0.07% for custodial fees and investment consultant fees, based on information provided by Meketa as of December 31, 2021.

Exhibit 1 (continued)

Price Inflation in the USA - Average Annual Rates of Increase in the CPI-U

<u>Years (Dec. to Dec.)</u>	<u>Number of Years</u>	<u>Average Annual Increase</u>
1956 – 2021	65	3.62%
1961 – 2021	60	3.79
1966 – 2021	55	3.96
1971 – 2021	50	3.90
1976 – 2021	45	3.54
1981 – 2021	40	2.76
1986 – 2021	35	2.68
1991 – 2021	30	2.37
1996 – 2021	25	2.28
2001 – 2021	20	2.31

Most inflation forecasts are for 10 years or less. For example, the average 10-year forecast in the June 2022 Livingston Survey published by the Federal Reserve Bank of Philadelphia was 2.50%. However, 10 years is too short a forecast period for a public employee defined benefit pension plan. In the 2022 annual report of the OASDI Trust Funds (Social Security), the ultimate inflation assumptions for their 75-year projections are 3.0%, 2.4%, and 1.8% for the low-cost, intermediate, and high-cost assumptions, respectively. Looking at the average annual increase in the CPI-U over historical periods of 30 to 65 years above and considering the Social Security forecasts, we believe that reasonable assumed rates of inflation for the long-term future would range from 2.25% to 3.25%.

Administrative Expenses of the Fund

<u>Plan Year</u>	<u>Administrative Expenses Paid by the Fund</u>	<u>Assumed Payroll</u>	<u>% of Payroll (2) ÷ (3)</u>
(1)	(2)	(3)	(4)
2021	\$ 1,968,444	\$ 317,568,097	0.62%
2020	1,690,004	309,476,160	0.55
2019	1,465,394	299,605,819	0.49
2018	1,398,589	290,148,967	0.48
2017	1,350,210	285,734,779	0.47
2017-2021	\$ 7,872,641	\$ 1,502,533,822	0.52%

The assumed future administrative expenses, excluding third party administrator claims-related expenses and expenses related to the rent and operation of the Fund's clinics, will be added to the normal cost contribution rate. For the January 1, 2022 actuarial valuation, we recommend assuming 0.52% of payroll, the average of the last five years.

Exhibit 1 (continued)

Comparison of 1/1/2021 Actuarial Economic Assumptions
with 1/1/2022 Actuarial Economic Assumptions

<u>Actuarial Assumption¹</u>	<u>1/1/2021 Actuarial Economic Assumptions</u>	<u>1/1/2022 Actuarial Economic Assumptions</u>
Inflation (Price)	2.75%	2.75%
Net real rate of return ²	<u>4.25</u>	<u>4.25</u>
Net total investment return ²	7.00%	7.00%
General compensation increase ³	2.75%	2.75%
Aggregate payroll increase	3.50%	3.50%
Administrative expenses (% of payroll)	0.50%	0.52%

¹ All assumptions are annual rates.

² These assumptions are net of investment-related expenses.

³ For both actuarial valuation dates, the compensation increases consist of the assumed annual general compensation increase in combination with promotion and longevity pay increases that vary by years of service.

Exhibit 1 (continued)

**Comparison of Investment Return and Inflation Assumptions
for Large Local and Statewide Retirement Systems**

System Name	Valuation Date	Investment Return Assumption	Rate of Inflation	Real Rate of Return
Austin Employees	12/31/2021	6.75%	2.50%	4.25%
Austin Fire	12/31/2020	7.30	2.50	4.80
Austin Police	12/31/2020	7.25	2.50	4.75
Dallas Employees	12/31/2020	7.25	2.50	4.75
Dallas Police and Fire	1/1/2021	6.50	2.50	4.00
El Paso Employees	9/1/2020	7.25	2.50	4.75
El Paso Fire	1/1/2022	7.75	2.75	5.00
El Paso Police	1/1/2022	7.75	2.75	5.00
Fort Worth Employees	12/31/2020	7.00	2.50	4.50
Houston Fire	7/1/2020	7.00	2.50	4.50
Houston Municipal	7/1/2020	7.00	2.25	4.75
Houston Police	7/1/2021	7.00	2.75	4.25
San Antonio Fire and Police	1/1/2022	7.25	3.00	4.25
Employees Retirement System	8/31/2021	7.00	2.30	4.70
Teacher Retirement System	8/31/2021	7.25	2.30	4.95
Texas County and District System	12/31/2021	7.50	2.50	5.00
Texas Municipal Retirement System	12/31/2021	6.75	2.50	4.25
Average		7.14	2.53	4.61

Exhibit 1 (continued)

**Increase in Number of Active Members
of the Fire and Police Pension Fund, San Antonio or of the
Fire and Police Retiree Health Care Fund, San Antonio**

<u>Date</u>	<u>Number of Active Members</u>	<u>One Year Growth Rate</u>	<u>Average Annual Growth Rate</u>	
			<u>Over 5 Years</u>	<u>Over 10 Years</u>
9/30/2000	3,222	-	-	-
9/30/2001	3,296	2.3%	-	-
9/30/2002	3,348	1.6	-	-
9/30/2003	3,415	2.0	-	-
9/30/2004	3,427	0.4	-	-
9/30/2005	3,397	-0.9	1.1%	-
9/30/2006	3,410	0.4	0.7	-
9/30/2007	3,517	3.1	1.0	-
9/30/2008	3,580	1.8	0.9	-
9/30/2009	3,735	4.3	1.7	-
9/30/2010	3,807	1.9	2.3	1.7%
9/30/2011	3,878	1.9	2.6	1.6
9/30/2012	3,901	0.6	2.1	1.5
9/30/2013	3,942	1.1	1.9	1.4
9/30/2014	3,943	0.0	1.1	1.4
9/30/2015	3,943*	0.0	0.7	1.5
12/31/2016	3,943*	0.0	0.3	1.5
12/31/2017	3,943*	0.0	0.2	1.1
12/31/2018	4,024	2.1	0.4	1.2
12/31/2019	4,081	1.4	0.7	0.9
12/31/2020	4,119	0.9	0.9	0.8
12/31/2021	4,155	0.9	1.1	0.7

* Assumed to be the same as at 9/30/2014 due to unusual circumstances, for purposes of determining projected aggregate payroll only.

Exhibit 2

Fire and Police Retiree Health Care Fund, San Antonio

Summary Analysis of Claims Experience for the Fiscal Year Ending December 31, 2021

A. Expected	
1. Expected Accrued Claims from the January 1, 2021 Actuarial Valuation (including estimated claims-related expenses) for the Fiscal Year	\$41,321,278
B. Actual	
1. Actual Accrued Claims from Draft of the Financial Statements for the Fiscal Year (excluding claims-related expenses)	\$33,317,735
2. Actual Claims-Related Expenses for the Fiscal Year	1,418,613 ¹
3. Clinic Operation and Rent Expenses for the Fiscal Year	<u>6,938,590</u>
4. Total	\$41,674,938
Ratio of Actual Accrued Claims (B4) to Expected Accrued Claims (A1)	100.9% ²

¹ The amount includes the standard claims-related expenses and amounts paid to reduce the cost of providing out-of-network services and dialysis services.

² The ratio of 100.9% means that the actual accrued claims and claims-related expenses were 0.9% more than expected.

Exhibit 3

Fire and Police Retiree Health Care Fund, San Antonio Comparison of Claims Costs Assumptions for the 12-Month Period Beginning January 1, 2022

<u>Age</u>	<u>Male</u>	<u>Female</u>
(A) Based on January 1, 2021 Valuation Assumption ⁽¹⁾		
47	\$ 7,248	\$ 9,202
52	8,993	10,306
57	11,428	11,845
62	14,089	13,835
67	8,549	7,927
72	8,435	7,628
77	8,323	7,331
82	8,256	7,151

(B) January 1, 2022 Valuation Assumption Recommended ⁽²⁾

47	\$ 7,241	\$ 9,599
52	9,093	10,535
57	11,253	11,756
62	13,614	13,302
67	7,861	7,820
72	7,772	7,351
77	7,683	6,882
82	7,630	6,600

Ratio: (B) to (A)

47	1.00	1.04
52	1.01	1.02
57	0.98	0.99
62	0.97	0.96
67	0.92	0.99
72	0.92	0.96
77	0.92	0.94
82	0.92	0.92

⁽¹⁾ From Rudd and Wisdom's 1/1/2021 valuation, increased by 6.75%, the trend rate for the 12 months beginning 1/1/2022. **The claims costs have been increased by 2% to reflect the expected claims-related expenses paid to the third party administrators.**

⁽²⁾ Claims costs based on Rudd and Wisdom's 2020 and 2021 experience databases, adjusted for benefit differences and Medicare coordination differences, and increased to make them appropriate for the fiscal year beginning 1/1/2022. **The claims costs have been increased by 2% to reflect the expected claims-related expenses paid to the third party administrators.**

Exhibit 3 (continued)

**Fire and Police Retiree Health Care Fund, San Antonio
Comparison of Annual Claims Cost Increase (Trend) Assumptions**

Fiscal year Beginning January 1	Annual Trend	Annual Trend
	1/1/2021 Valuation (Used)	1/1/2022 Valuation (Recommended)
2022	6.75%	N/A
2023	6.25%	6.25%
2024	5.75%	5.75%
2025	5.25%	5.25%
2026	4.75%	4.75%
2027+	4.25%	4.25%

Exhibit 4

Comparison of Actuarial Assumptions and Methods for the San Antonio Fire and Police Pension Fund and the Fire and Police Retiree Health Care Fund, San Antonio

Assumptions/Methods	Retiree Health Care Fund	
	Pension Fund 1/1/2022 Valuation Assumptions/Methods	1/1/2021 Valuation Assumptions/Methods
Investment return	7.25% net of investment expenses	7% net of investment expenses
Total pay increases, varying by service	14.0 to 3.0%	13.75 to 2.75%
Aggregate payroll increase		
General pay increase	3.0%	2.75%
Increase in # of members	0.0%	0.75%
Total	3.0%	3.50%
Mortality rates		
• preretirement	PubS-2010 employee table (amount weighted), generationally projected with SSA2019-2D	PubS-2010 employee table (headcount weighted), generationally projected with SSA2019-2D
• postretirement	PubS-2010 healthy retiree or disabled retiree table (amount weighted), generationally projected with SSA2019-2D	PubS-2010 healthy retiree table (headcount weighted), generationally projected with SSA2019-2D
• surviving spouses	Pub-2010 contingent survivor table (amount weighted), generationally projected with SSA2019-2D	PubS-2010 healthy retiree table (headcount weighted), generationally projected with SSA2019-2D

Exhibit 4 (continued)

Comparison of Actuarial Assumptions and Methods for the San Antonio Fire and Police Pension Fund and the Fire and Police Retiree Health Care Fund, San Antonio

	Pension Fund			Retiree Health Care Fund		
	1/1/2022 Valuation			1/1/2022 Valuation		
Assumptions/Methods	Service	Fire	Police	Service	Fire	Police
	0-1 yrs.	1.00%	2.25%	0-1 yrs.	1.00%	2.25%
	Assumptions/Methods	Assumptions/Methods	Assumptions/Methods	Assumptions/Methods	Assumptions/Methods	Assumptions/Methods
Termination rates	2	0.60	2.25	2	0.60	2.25
	3	0.50	2.25	3	0.50	2.25
	4-7	0.40	2.25	4-7	0.40	2.25
	8	0.40	2.00	8	0.40	2.00
	9-11	0.40	0.50	9-11	0.40	0.50
	12-19	0.10	0.50	12-19	0.10	0.50
Disability rates	Age	Fire	Police	Age	Fire	Police
	20	0.01%	0.01%	20	0.01%	0.01%
	25	0.01	0.01	25	0.01	0.01
	30	0.01	0.01	30	0.01	0.01
	35	0.01	0.01	35	0.01	0.01
	40	0.02	0.02	40	0.02	0.02
	45	0.04	0.04	45	0.04	0.04
	49+	0.00	0.00	49+	0.00	0.00

Exhibit 4 (continued)

Comparison of Actuarial Assumptions and Methods for the San Antonio
Fire and Police Pension Fund and the Fire and Police Retiree Health Care Fund, San Antonio

Retirement rates	Pension Fund		Retiree Health Care Fund	
	1/1/2022 Valuation Assumptions/Methods	1/1/2021 Valuation Assumptions/Methods	1/1/2022 Valuation Assumptions/Methods	1/1/2022 Valuation Assumptions/Methods
Service	Fire	Police	Fire	Police
20	1.5%	2.5%	1.5%	2.5%
21	1.5	2.5	1.5	2.5
22	1.5	2.5	1.5	2.5
23	1.5	3.0	1.5	3.0
24	1.5	3.0	1.5	3.0
25	1.5	4.0	1.5	4.0
26	2.0	5.0	2.0	5.0
27	3.0	10.0	3.0	10.0
28	3.0	12.0	3.0	12.0
29	8.0	17.0	8.0	17.0
30	10.0	27.0	10.0	27.0
31	15.0	30.0	15.0	30.0
32	30.0	50.0	30.0	50.0
33	45.0	60.0	45.0	60.0
34	45.0	50.0	45.0	50.0
35	45.0	45.0	45.0	45.0
36	35.0	45.0	35.0	45.0
37	55.0	45.0	55.0	45.0
38	30.0	45.0	30.0	45.0
39	25.0	70.0	25.0	70.0
40-43	35-100	100.0	35-100	100.0
				Police
				2.5%
				2.5
				2.5
				3.0
				3.0
				4.0
				5.0
				10.0
				12.0
				17.0
				27.0
				30.0
				50.0
				60.0
				50.0
				45.0
				45.0
				35.0
				55.0
				30.0
				25.0
				35-100
				100.0
				70.0
				100.0

Exhibit 4 (continued)

Comparison of Actuarial Assumptions and Methods for the San Antonio Fire and Police Pension Fund and the Fire and Police Retiree Health Care Fund, San Antonio

Assumptions/Methods	Pension Fund		Retiree Health Care Fund	
	1/1/2022 Valuation Assumptions/Methods	1/1/2021 Valuation Assumptions/Methods	1/1/2022 Valuation Assumptions/Methods	1/1/2022 Valuation Assumptions/Methods
Percent married at termination	males 95%, females 60%	85%	85%	
Age difference between spouses	Husband 3 years older	Husband 3 years older	Husband 3 years older	Husband 3 years older
In-service death rate	10% of the rate at each age	.02% additional rate at each age	.02% additional rate at each age	.02% additional rate at each age
Administrative expenses	\$3,400,000 added to the normal cost	0.50% of payroll added to the normal cost	0.52% of payroll added to the normal cost	0.52% of payroll added to the normal cost
Actuarial value of assets	Adjusted market value with 5-year smoothing	Adjusted market value with 5-year smoothing	Adjusted market value with 5-year smoothing	Adjusted market value with 5-year smoothing
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization period	Solved for (13.6 years as of 1/1/2022)	25 years	30 years (maximum)	30 years (maximum)