



**Minutes of the Meeting  
of the Board of Trustees of the  
Fire and Police Retiree Health Care Fund, San Antonio  
June 26, 2023**

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

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

OTHERS PRESENT: James Bounds, Executive Director; 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 May 22, 2023, were reviewed and unanimously approved upon motion by Trustee Despres and second by Trustee Cabello Havrda.

EXECUTIVE SESSION: The Board went into Executive Session at 11:20 a.m. to discuss personnel issues. The Executive Session adjourned at 11:38 a.m.

MEMBERS TO BE HEARD: None.

ACTION ITEMS:

1. Investments:
  - a. Constitutional Capital Partners Ironsides Opportunities Fund II:  
Chair Lutton presented the recommendation of Investment Committee to invest \$10M into CCPIOF II.

Upon motion by Trustee Lutton and second by Trustee Despres, the investment was unanimously approved.

2. Personnel/ Audit:

- a. Executive Director's Contract: Mr. Burney briefed the Board on proposed contract for Mr. Bounds. Upon motion by Trustee Lutton and second by Trustee Trevino, the Board unanimously approved the contract for Mr. Bounds.
- b. Strategic Business Planning Committee Meeting: Chair Berry reported on establishing a process for review of performance for Mr. Bounds. Mr. Bounds was requested to draft an Organizational Chart for all employees.

Mr. Bounds reported on 7-year lease proposal for a new health care family practice tenant at Rogers Road Campus. Third-party consultant and Mr. Bounds will review and report back to the Committee.

3. Benefits:

- a. Alternative Therapy List: Ms. Puga reported on proposed changes to the Alternative Therapy List, effective August 1, 2023, as recommended by Welldyne. No current members will be affected by these changes.
- b. Intercept Program: There are no changes to the Intercept Program List.

4. Legislative: ESG Bill that as originally filed would affect fiduciary duty to Fund to make investments died.

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.

6. Consultant Report:

- a. Legal: No report.
- b. Actuarial Report: Foster & Foster reported on the results of the Actuarial Experience study. Foster & Foster reviewed all assumptions and recommended assumption changes in four areas: salary; retirement rates; withdrawal rates; and spousal coverage. Mortality rates for public safety is higher than general public.

Projected long-term return is 8.08% (5.3% return and 2.75% inflation).

COSA public service has the lowest withdrawal rate of any public system Foster & Foster follows, and they also retire later. Nationwide withdrawal rates are in the 4-5% range.

Upon motion by Trustee Sanchez and second by Trustee Despres, the Board unanimously approved the recommended changes in assumptions, resulting in net decrease (1.54%) in minimum required contribution as a percentage of payroll, which will be used in the FY 23 actuarial study (to be presented in August, 2023).

7. Educational Opportunities:

- DRA Advisors: Annual Investor Conference, September 27, 2023
- TEXPERS: 2023 Summer Educational Forum, August 13-15, 2023

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

8. Next Meeting: The next regularly scheduled meeting will be July 31, 2023 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Sanchez and second by Trustee Lutton that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:45 a.m.

Enclosures

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

**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 CONDUCTED ON JUNE 26, 2023.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session June 26, 2023 at 11:20 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 personnel matters.
3. No further action was taken.
4. The executive session ended with the following announcement by the presiding officer: "This executive session ended on June 26, 2023 at 11:38 a.m."

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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 210, SAN ANTONIO, TX 78216  
Monday, June 26, 2023-10:00 a.m.

Members of the public may provide comment on any Agenda item, consistent with procedural rules governing the Board meetings and state law. Public 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](mailto: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 3 minutes (6 minutes if translation is needed).

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 May 22, 2023

5. Public Comment
6. Committee Reports (discussion and possible action):
  - a. Investments:
    - Commit 10 million to Constitution Capital Partners Ironsides Opportunities Fund II
  - b. Personnel/Audit:
    - Executive Directors Contract
    - Discussion of Strategic Business Planning Committee Meeting
  - c. Benefits:
    - Alternative Therapy List
    - Intercept program
  - d. Legislative:
7. Administrative report (discussion and possible action):
  - a. Draft financial reports and list of expenditures for April 2023
8. Consultant Reports (discussion and possible action):
  - a. Legal: Report by Frank Burney
  - b. Actuaries Report by Foster & Foster
9. Educational Opportunities (discussion and possible action):
  - DRA Advisors: Annual Investor Conference  
September 27, 2023
  - TEXPERS: 2023 Summer Educational Forum  
August 13-15, 2023
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, accommodation can be made by contacting James Bounds at 210-494-6500.

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1. Call to Order:

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- 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:**
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Minutes of the Meeting  
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May 22, 2023

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Chris Lutton, Police Department Representative;  
Mike Despres, Retired Police Representative;  
Doug Berry, Fire Department Representative;  
Jason Sanchez, Police Department Representative;  
Councilperson Melissa Cabello Havrda, City of San Antonio; and  
Mayoral Appointee Tom Silliman, City of San Antonio.

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

OTHERS PRESENT: James Bounds, Executive Director; 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 meeting held on April 24, 2023, were reviewed and unanimously approved upon motion by Trustee Sanchez and second by Trustee Despres with a minor change relating to Former Fire President Steele.

EXECUTIVE SESSION: None.

MEMBERS TO BE HEARD: None.

ACTION ITEMS:

1. Investments: Will meet later on May 22, 2023.
2. Personnel/Audit: Strategic Planning Committee is scheduled for later on May 22, 2023.
3. Benefits: Next meeting June 7, 2023 at 10:00 a.m.
  - a. Alternative Therapy List: postponed until next month.

b. Intercept Program: Mr. Bounds reported on reduction in costs for expensive specialty drugs but still large expenditures for specialty drugs.

4. Legislative: Mr. Burney reported on two bills:

- a. SB 1446 which imposes on pension funds' restrictions and reporting on ESG and proxy reporting; and
- b. HB 471 which requires one-year paid leave for public safety employees who have LOD injury/illnesses.

5. Administrative Report:

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

b. Clinics by Health by Design: Representatives of Health by Design provided a utilization report on Clinics. Capacity exists to handle additional patients but usage is up year-over-year.

Specialty Services show high utilization of PT and Endocrinology but only 60% utilization on Behavioral Health.

c. Schedule for Elections: Upon motion by Trustee Sanchez and second by Trustee Lutton, the 2023 Election Schedule was approved.

d. Update on Real Estate by Forsite: A meeting will be scheduled for Monday, June 5, 2023, at 10:00 a.m.

6. Consultant Report:

a. Legal: None.

7. Educational Opportunities:

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

- IFEBP: Fraud Prevention Institute for Employee Benefit Plans, July 24-25, 2023

- IFEBP Certificate Series: Communicating Employee Benefits, July 24-25, 2023
  - IFEBP: Alternative Investment Strategies, July 18-20, 2023
8. Recess: Upon motion by Trustee Despres and second by Trustee Sanchez, the Board recessed the meeting. The meeting reconvened at 1:05 p.m.
  9. Next Meeting: The next regularly scheduled meeting will be June 26, 2023 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Silliman and second by Trustee Lutton that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 1:08 p.m.

Enclosures

- Financial Statement
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F&P Retiree Health Care Fund - Calendar  
Statement of Plan Net Assets  
May 31, 2023

	May 31, 2023	December 31, 2022
<b>ASSETS</b>		
Cash - City	\$ 0.00	\$ 0.00
Cash - Trust	514,460.51	30.00
Leasehold Improvements	39,340,778.29	39,205,028.24
Investments - Trust	518,121,128.45	505,735,612.94
Accrued Interest - Trust	3,002,067.77	2,155,789.62
Pre-paid Expenses	1,242,275.00	51,782.80
	<u>562,220,710.02</u>	<u>547,148,243.60</u>
<b>Total Assets</b>		
 <b>LIABILITIES</b>		
Claims Payable	5,009,157.16	4,866,320.41
Accounts Payable	(129,884.07)	301,025.86
Security Lending Collateral	0.00	0.00
	<u>4,879,273.09</u>	<u>5,167,346.27</u>
<b>Total Liabilities</b>		
	<u>557,341,436.93</u>	<u>541,980,897.33</u>
<b>Net Assets Held in Trust</b>	<b>\$</b>	<b>\$</b>

F&P Retiree Health Care Fund - Calendar  
Statement of Changes in Plan Net Assets  
For the Five Months Ending May 31, 2023

	Current Month	Current Budget	Year to Date	YTD Budget
<b>Additions</b>				
Contributions:				
City of San Antonio	\$ 3,658,152.82	3,674,000.00	\$ 20,026,977.24	20,208,000.00
Active	1,831,032.00	1,837,000.00	10,017,373.96	10,103,000.00
Retirees less than 30	127,081.50	127,000.00	634,993.08	631,000.00
COBRA	0.00	4,000.00	16,733.41	17,000.00
Children	52,850.00	47,000.00	258,300.00	232,000.00
<b>Total Contributions</b>	<u>5,669,116.32</u>	<u>5,689,000.00</u>	<u>30,954,377.69</u>	<u>31,191,000.00</u>
Investment Income:				
Interest	107,995.74	178,800.00	519,653.53	895,100.00
Net Appreciation of Inves	(1,826,211.22)	2,682,000.00	9,128,083.86	13,376,000.00
Other Income	44.25	2,000.00	35,167.44	6,000.00
Less Investment Expense	(27,633.33)	(27,600.00)	(134,766.65)	(133,700.00)
<b>Net Investment Income</b>	<u>(1,745,804.56)</u>	<u>2,835,200.00</u>	<u>9,548,138.18</u>	<u>14,143,400.00</u>
<b>Total Additions</b>	<u>3,923,311.76</u>	<u>8,524,200.00</u>	<u>40,502,515.87</u>	<u>45,334,400.00</u>
<b>Deductions</b>				
Members Benefit Paymen	5,131,701.09	3,975,000.00	20,137,361.97	19,872,000.00
COBRA Benefit Payment	57.68	3,000.00	2,364.83	18,000.00
Children's Benefit Payme	43,664.50	47,000.00	112,965.88	235,000.00
General and Administrati	775,118.14	287,900.00	4,889,283.59	1,470,300.00
<b>Total Deductions</b>	<u>5,950,541.41</u>	<u>4,312,900.00</u>	<u>25,141,976.27</u>	<u>21,595,300.00</u>
<b>Net Increase</b>	<u>(2,027,229.65)</u>	<u>4,211,300.00</u>	<u>15,360,539.60</u>	<u>23,739,100.00</u>

June 26, 2023

Expenses Paid since last Board Meeting

Frost \$ -

Expenses to be paid at this Board Meeting

6167	Andrew Estrada	Phone	\$	70.00
6168	AT&T Mobility	June	\$	68.75
6169	Cecilia	Per Deim	\$	360.00
6170	Debra	Per Deim	\$	360.00
6171	Doug Berry	Phone	\$	70.00
6172	GDC	June	\$	5,000.00
6173	Henry Trevino	Phone	\$	70.00
6174	Jason Sanchez	Phone	\$	70.00
6175	Leslie	Per Deim	\$	216.00
6176	Christopher Lutton	Phone	\$	70.00
6177	Martin Drought	May	\$	7,500.00
6178	Meketa	June	\$	20,833.33
6179	Mike Despres	Phone	\$	70.00
6180	USI	June	\$	8,083.34
6181	T-Mobile	June	\$	83.33
	CDS Muery	May		
	National Sign	May		
	RVK	May		
	City Base West	July	\$	7,461.16
	Clinic	July	\$	7,923.87
	Office	July	\$	17,291.60
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		Total	\$	75,601.38