



**Special Minutes of the Meeting  
of the Board of Trustees of the  
Fire and Police Retiree Health Care Fund, San Antonio  
September 6, 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; 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 Marc Whyte, City of San Antonio.

**OTHERS PRESENT:** James Bounds, Executive Director; and  
Frank Burney, Martin & Drought, P.C.  
Garza & Gonzales (Audit)

At 10:02 a.m., Chair Berry called the meeting to order. The roll was called, and a quorum was declared present.

**EXECUTIVE**

**SESSION:** The Board went into Executive Session at 10:27 a.m. to discuss legal issues regarding attorney-client issues. The Executive Session adjourned at 11:28 a.m.

A second Executive Session occurred at 11:39 a.m. and adjourned at 11:53 a.m.

**MEMBERS**

**TO BE**

**HEARD:** None.

**ACTION**

**ITEMS:**

1. Audit: Garza & Gonzales presented the draft audit (waiting for confirmation of investment balances from Meketa) which included on “clean” opinion (as of 12/31/22). Audit showed investments in real estate related to clinic operations and a negative investment return of -7.8% v. 11.98% in 2021). Funding ratio (as a percent of OPEB liability) also dropped to 48.4%.

A motion was made to accept the draft report and unless no material change, no further presentation is required by the auditor by Trustee

Sanchez and second by Trustee Despres, which was unanimously approved. Trustee Sanchez requested clarification of the "Plan Membership" data on p. 12 of the draft audit.

2. Actuarial Report: Foster & Foster reviewed the actuarial valuation of the Health Fund as of January 1, 2023. The Report concluded that no increase in the total contribution rate of 21.45% is required. The UAAL is expected to be amortized in 15 years (53% funded), and demographic and economic assumption were adjusted, resulting in a -3.1% change. Upon motion by Trustee Sanchez and second by Trustee Silliman, the 2022 Actuarial Report was unanimously accepted.

Board requested proposed scope of engagement relating to Plan Design (drug pricing) and cost of current benefits v. cost at retirement.

3. Health By Design: Health by Design reported on status of usage, physician availability and intervention services (wellness studio videos and testimonials). Capacity still exists (65% usage).
  - a. Prescriptions: Health By Design provided information on reducing prescriptions with alternative therapies.
  - b. Diabetes: No cost to those who take advantage of programs (estimate of 25% affected). New weight loss drugs (Ozempic, Mounjaro, and Metformin) are being evaluated.
4. Next Meeting: The next regularly scheduled meeting will be September 25, 2023 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Despres and second by Trustee Sanchez that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:58 a.m.

Enclosures

N:\CORP\FBB\HBT\MINUTES 23\9 6 23 -Special Mtg.docx

**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 TWO EXECUTIVE SESSIONS OF THE BOARD CONDUCTED ON SEPTEMBER 6, 2023.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session September 6, 2023 at 10:27 a.m. and the second executive session began at 11:39 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 attorney-client issues and Plan Design.
3. No further action was taken.
4. The executive session ended with the following announcement by the presiding officer: "This executive session ended on September 6, 2023 at 10:51 a.m. and the second executive session ended at 11:53 a.m."

---

Presiding Officer

N:\CORP\FBB\HBT\MINUTES 23\Executive\09 06 23 - CERTIFIED 2.docx

AGENDA  
SPECIAL BOARD OF TRUSTEES MEETING  
FIRE AND POLICE RETIREE HEALTH CARE FUND  
TO BE HELD AT 11603 W. COKER LOOP, SUITE 210 SAN ANTONIO, TX 78216  
Wednesday, September 6, 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 [ledeleon@thefundsa.org](mailto:ledeleon@thefundsa.org) by 12:00 p.m. on the day before the meeting. Comments will be read into the record during the designated time on the agenda.
- b. In Person: Speakers shall be given the opportunity to speak at the beginning of the meeting during "Public Comment" for up to 3 minutes (6 minutes if translation is needed).

Call to Order:

1. Roll Call: Doug Berry, Henry Trevino, Andrew Estrada, Chris Lutton, Jason Sanchez, Councilperson Melissa Cabello Havrda, Councilperson Marc Whyte, Tom Silliman.
2. 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.**
3. Audit Presentation by Garza & Gonzales
  4. Actuarial Valuation presentation by Foster & Foster

5. Presentation by Health By Design

6. 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.

August 24, 2023

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

Re: *Contributions for Fiscal Year 2023-2024*

Board Members:

The State Law of Texas Article 6243q, Article 5, Section 4.02 governing the Retirement Health Trust for Firefighters and Police Officers ("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 have been determined in advance of the fiscal year by the Fund's actuary based on the above-referenced state law.

This letter provides documentation supporting the contribution amounts for fiscal year 2023-2024. The table below compares the amounts for 2023-2024 to those for 2022-2023.

	FY 2022-2023	FY 2023-2024	Increase
Biweekly Contributions per member			
• Fire and Police members	\$220.50	\$226.27	2.6%
• City of San Antonio	\$441.01	\$452.53	2.6%
Monthly Contributions for retirees with less than 30 years of service	\$477.75	\$490.25	2.6%

The included 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 in certain years 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, 2024. For the firefighters, the collective bargaining agreement has a 2.5% across-the-board wage increase effective January 1, 2024. Then we determined the weighted 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, 2022. That report, dated September 15, 2022, indicated no additional increase in the contribution rates beginning October 1, 2023 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 since October 1, 2021, the UAAL amortization period was 21 years in the January 1, 2022 actuarial valuation. Therefore, the total contribution as a percentage of pay remains at 21.45%, and is unchanged from the prior year.

I certify that I am a member of the Society of Actuaries and the American Academy of Actuaries, and meet the Qualification Standards to make the actuarial opinions contained in this letter.

Please let us know if you have any questions.

Sincerely,



Colleen M. Atchison, FSA, MAAA

## Appendix

### Contributions for Fiscal Year 2023-2024 According to the Essence of Sections 4.02, 4.021, and 4.022 of Article 6243q, Vernon's Texas Civil Statutes

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 9, 2023. Foster & Foster Actuaries and Consultants, as the plan actuary, determined the total of the biweekly pay for all members who were active throughout the pay period. The totals below exclude any members who became inactive or withdrew during the pay period.

	Police	Fire	Total
(1) Biweekly base pay plus longevity amounts paid on June 9, 2023 to active members	\$ 7,623,180	\$ 5,187,381	\$ 12,810,561
(2) Number of active members	2,351	1,770	4,121
(3) Average member biweekly pay in June 9, 2023 payroll, (1) ÷ (2)	\$ 3,242.53	\$ 2,930.72	\$ 3,108.60
(4) Estimated annual increase in biweekly pay for fiscal year*	1.750%	1.875%	
(5) Estimated average member biweekly pay in fiscal year 2023-2024, (3) increased by (4)	\$ 3,299.27	\$ 2,985.67	\$ 3,164.58
(6) Biweekly contributions to the Fund for fiscal year 2023-2024			
(a) Members, (5) x 7.15%			\$ 226.27
(b) City, (5) x 14.30%			\$ 452.53
(7) Monthly contributions to the Fund fiscal year 2023-2024 for retirees with less than 30 years of service, (6a) x 26 ÷ 12			\$ 490.25

\* The current collective bargaining agreement for police has a 3.5% across-the-board wage increase effective April 1, 2024. The collective bargaining agreement for the firefighters has a 2.5% across-the-board wage increase effective January 1, 2024. The estimated increases shown in Item 4 reflect the portion of the fiscal year the across-the-board increases will be in effect.



August 18<sup>th</sup>, 2023

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

Re: *Maximum Deductible and Out-of-Pocket Payments for Calendar Year 2024*

Board Members:

The State Law of Texas Article 6243q. Article 5, Section 5.01 (h) governing the Retirement Health Trust for Firefighters and Police Officers defines the dollar amount of the maximum deductible and out-of-pocket payments. The Article states that “the board shall increase the amount of the maximum deductible and out-of-pocket payments established under Subsections (f) and (g) of this section by a percentage equal to 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.” The subsection limits this annual increase to 8%.

As the actuary selected by the Board, and in accordance with the state law referenced above, Foster & Foster has selected the published index to be the Medical Care category of the Consumer Price Index for all Urban Consumers (or CPI-U, published monthly by the Bureau of Labor Statistics of the U.S. Department of Labor) from June of the prior year to June of the current year. The annual percentage increase in the Medical Care category of CPI-U from June 2022 to June 2023 is 0.1%<sup>(2)</sup>. This 0.1% increase will be applied to the 2023 maximum deductible and out-of-pocket payments.

Under current practice, if the amortization period of retiree medical liability is less than 30 years, then potential further deductible and out-of-pocket payment amount increases under Section 4.022 do not apply. Since the amortization period is in fact under 30 years, for 2024 only the Section 5 increases will apply.

The table below shows the result of the 0.1% increase applied to the 2023 maximum deductible and out-of-pocket payments to determine the 2024 amounts:

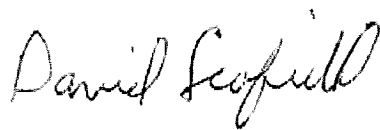
	Amount for Each Individual (In-Network)	
	CY 2023	CY 2024
Maximum Deductible	\$1,042	\$1,043
Maximum Out of Pocket		
• including maximum deductible	\$3,956	\$3,960
• excluding maximum deductible	\$2,914	\$2,917

The *Appendix* shows the 20-year history of annual changes in the CPI-U both for All Items and for the Medical Care category for 12-month periods ending in June (Exhibit I and II)<sup>(1)(2)</sup>.

I certify that I am a member of the Society of Actuaries meeting the Qualification Standards to make the actuarial opinions contained in this letter.

Please let us know if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "David Scofield".

Dave Scofield, A.S.A.  
Dave.scofield@foster-foster.com  
(240) 246-6111

## Appendix

### Exhibit I

Year	Change in CPI-U (June to June)	
	All Items	Medical Care
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
2023	3.0	0.1

### Exhibit II

Rolling 12 through June	Average Increase	
	All Items	Medical Care
20 years	2.6%	3.1%
10 years	2.7	2.6

## Citations

---

- (1) CPI-U All Data History
  - <https://www.usinflationcalculator.com/inflation/consumer-price-index-and-annual-percent-changes-from-1913-to-2008/>
- (2) CPI-U Medical Data History
  - <https://data.bls.gov/PDQWeb/cu>