



FIRE AND POLICE RETIREE HEALTH CARE FUND, SAN ANTONIO

Minutes of the Meeting of the Board of Trustees of the Fire and Police Retiree Health Care Fund, San Antonio July 29, 2019

PRESENT: Doug Berry, Fire Department Representative;
Henry Trevino, Fire Department Retiree Representative;
Andrew Estrada, Fire Department Representative;
Michael Despres, Police Department Representative;
Chris Lutton, Police Department Representative;
Alex Perez, Police Department Retiree Representative; and
Councilperson John Courage, City of San Antonio.

ABSENT: Councilperson Rebecca Viagran, City of San Antonio;
Mayoral Appointee Tom Silliman, City of San Antonio.

OTHERS PRESENT: James Bounds, Executive Director,
Cecilia Puga Retiree Health Care; and
Jon Lowe, Martin & Drought, P.C.

At 10:01 a.m., Chair Despres called the meeting to order. The roll was called, and a quorum was declared present. The minutes from the meeting held on May 28, 2019 were reviewed and unanimously approved upon motion by Trustee Trevino and second by Trustee Berry. There was no monthly meeting in June, 2019 due to the lack of a quorum.

EXECUTIVE SESSION: Executive Session: The Board adjourned into Executive Session at 10:16 a.m. pursuant to state law to discuss with counsel legal issues relating to benefit issues. The Executive Session adjourned at 10:55 a.m.

ACTION ITEMS:

1. Investments:

Mr. Bounds discussed the Quarterly Report prepared by Meketa Investment Group, Inc. for the period ending March 31, 2019. The Report includes a recommendation for Strategic Asset Allocation and a recommended Tactical Asset Allocation Plan. Upon motion by Trustee Estrada and second

by Trustee Trevino, the recommendations were approved by majority vote of the Board. Trustee Courage abstained.

2. Personnel/ Audit:

Mr. Bounds advised that the 2018 annual audit is underway and that all field work has been completed. The current target date for completion is September 1, 2019.

3. Benefits:

Mr. Bounds discussed the pending contract with Welldyne PBC, and recommended that the Board approve the contract. Upon Motion by Trustee Berry and second by Trustee Trevino the contract was unanimously approved by the Board.

Ms. Puga provided a status report on the APH Software.

4. Legislative: No Legislative report was presented.

5. Administrative Report:

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

b. 2019 Trustee Elections: Mr. Bounds provided an update on the status of the upcoming Trustee elections.

6. Consultant Report:

a. Legal: No Legal report was presented.

b. Actuarial: No Actuarial report was presented.

7. Educational Opportunities:

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

- 2019 Nashville Mid-Sized Retirement & Healthcare Plan Management Conference, September 15-18, 2019;
- Newbury Equity Partners Fund I, II, III & IV Conference, November 12, 2019;

- 14th Annual Major Cities Conference – October 8-10, 2019.
- 8. Other Matters Requiring Board Action: None
- 9. Members to be Heard:

Steve Klein with Frost Bank introduced Melissa Gonzales, who will be assisting him with Health Fund matters.

Charles Ricketts, the new Treasurer of the Retirees Association, introduced himself to the Board.
- 10. Next Meeting: The next regularly scheduled meeting will be August 26, 2019 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Berry and second by Trustee Estrada that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 10:58 a.m.

Enclosures

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



FIRE AND POLICE RETIREE HEALTH CARE FUND, SAN ANTONIO



CERTIFIED AGENDA OF CLOSED MEETING

HEALTH FUND

I, MIKE DESPRES, THE PRESIDING OFFICER OF HEALTH FUND, CERTIFY THAT THIS DOCUMENT ACCURATELY REFLECTS ALL SUBJECTS CONSIDERED IN AN EXECUTIVE SESSION OF THE BOARD CONDUCTED ON JULY 29, 2019.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session on July 29, 2019 at 10:16 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 current and pending benefit issues.
3. No further action was taken.
4. The executive session ended with the following announcement by the presiding officer: "This executive session ended on July 29, 2019 at 10:55 a.m."

Presiding Officer

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FIRE AND POLICE RETIREE HEALTH CARE FUND, SAN ANTONIO



AGENDA BOARD OF TRUSTEES MEETING FIRE AND POLICE RETIREE HEALTH CARE FUND TO BE HELD AT THE OFFICE OF MARTIN & DROUGHT 300 CONVENT, SUITE 2500, SAN ANTONIO, TX 78205 Monday July 29, 2019 – 10:00 a.m.

1. Call to Order:
2. Roll call:
3. EXECUTIVE SESSION (Discussion only – Closed to Public):
The Board of Trustees may close 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 will be discussed with counsel in Executive Session: litigation concerning investments.
4. Minutes (Discussion and possible action):
 - Board Meeting Minutes for May 28th and June 17, 2019
5. Committee Reports (discussion and possible action):
 - a. Investments:
 - Quarterly Report ending March 31, 2019
 - Adoption of new Asset Allocation
 - Adoption of tactical reallocation
 - b. Personnel/Audit:
 - Update on 2018 Audit
 - c. Benefits:
 - Renew Welldyne PBC Contract
 - Update on APH Software
 - d. Legislative:

6. Administrative report (discussion and possible action):
 - a. Draft financial reports and list of expenditures for May and June 2019
 - b. Update on Elections
7. Consultant Reports (discussion and possible action):
 - a. Legal: Report by Frank Burney
8. Educational Opportunities (discussion and possible action):
 - 2019 Nashville Mid-Sized Retirement & Healthcare Plan Management Conference
September 15-18, 2019
 - Newbury Equity Partners Fund I, II, III & IV
November 12, 2019
 - 14th Annual Major Cities Conference
October 8-10, 2019
9. Other items requiring board action:
10. Members to be heard:
11. Adjournment:

NOTE:

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.



FIRE AND POLICE RETIREE
HEALTH CARE FUND,
SAN ANTONIO



**Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
May 28, 2019**

PRESENT: Doug Berry, Fire Department Representative;
Henry Trevino, Fire Department Retiree Representative;
Michael Despres, Police Department Representative;
Chris Lutton, Police Department Representative;
Alex Perez, Police Department Retiree Representative;
Councilperson John Courage, City of San Antonio; and
Mayoral Appointee Tom Silliman, City of San Antonio.

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

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

At 10:05 a.m., Chair Despres called the meeting to order. The roll was called, and a quorum was declared present. The minutes from the meeting held on April 29, 2019 were reviewed and unanimously approved upon motion by Trustee Berry and second by Trustee Trevino.

**EXECUTIVE
SESSION:** Executive Session: None.

**ACTION
ITEMS:**

1. Investments: Portfolio Advisors made a presentation to the Board on private credit strategies. Fund has existing investments in several Portfolio strategies. Portfolio offers credit strategies with current yield, liquidity, diversified investments, both fixed and floating rates, and redemption over a twelve-month period. Investment will be discussed at Investment Committee meeting this Thursday.
2. Personnel/ Audit: A Werling study has been commissioned to evaluate staff and salaries.

3. Benefits: Next meeting will be scheduled on June 4th at 10:00 a.m.
4. Legislative: None.
5. Administrative Report:
 - a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Berry and second by Trustee Lutton, a list of expenses and claims and the Financial Report were unanimously approved by the Board.
 - b. Office Hours: Mr. Bounds has authority to set office hours.
6. Consultant Report:
 - a. Legal: Mr. Burney reported on Texas Legislature bill on prescription drug prices and opioid litigation.
 - b. Actuarial: None.
7. Educational Opportunities:

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

 - TEXPERS: 2019 Summer Educational Forum, August 18-20, 2019.
 - IFEBP: 38th Annual ISCEBS Employee Benefits Symposium, September 8-11, 2019
8. Other Matters Requiring Board Action: None.
9. Members to be Heard: Mike Trainer announced the formation of a healthcare retirees committee.
10. Next Meeting: The next regularly scheduled meeting will be rescheduled to June 17, 2019 at 10:00 a.m. upon motion by Trustee Perez and second by Trustee Silliman (with one exception).

ADJOURNMENT: There being no further business, a motion was made by Trustee Courage and second by Trustee Trevino that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:32 a.m.

Enclosures
- Financial Statement

- List of approved claims and expenses
- Agenda
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FIRE AND POLICE RETIREE HEALTH CARE FUND, SAN ANTONIO



Minutes of the Meeting of the Board of Trustees of the Fire and Police Retiree Health Care Fund, San Antonio June 17, 2019

PRESENT: Henry Trevino, Fire Department Retiree Representative;
Michael Despres, Police Department Representative;
Chris Lutton, Police Department Representative;
Alex Perez, Police Department Retiree Representative;

ABSENT: Doug Berry, Fire Department Representative;
Andrew Estrada, Fire Department Representative;
Councilperson Rebecca Viagran, City of San Antonio;
Councilperson John Courage, City of San Antonio; and
Mayoral Appointee Tom Silliman, City of San Antonio.

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

At 10:14 a.m., Chair Despres called the meeting to order. The roll was called, and a quorum was not present. No action was taken.

CALENDAR:

Chair Despres tentatively set the following meetings:

1. Personnel at 10:00 a.m., July 9, 2019 at Pension Fund office.
2. Benefits at 10:00 a.m., July 2, 2019 at Pension Fund office.
3. Next Meeting: The next regularly scheduled meeting will be July 29, 2019 at 10:00 a.m.

Enclosures

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June 17, 2019

Expenses Paid since last Board Meeting

6/12/2019 Frost \$ 66.88

Expenses to be paid at this Board Meeting

4985	Alex Perez	Phone	\$ 70.00
4986	AMCORP	Rx Audit	\$ 3,000.00
4987	Andrew Estrada	Phone	\$ 70.00
4988	AT&T Mobility	Data	\$ 68.96
4989	Doug Berry	Phone	\$ 70.00
4990	Henry Trevino	Phone	\$ 70.00
4991	JCH	WEB	\$ 20.00
4992	Christopher Lutton	Phone	\$ 70.00
4993	Martin Drought	May	\$ 8,030.73
4994	Meketa	June	\$ 20,833.33
4995	Mike Despres	Phone/Per Diem	\$ 430.00
4996	USI	June	\$ 6,909.00
4997	T-Mobile	Phone	\$ 83.33
4998	Werling	Report	\$ 4,500.00
4999	City Base	Rent	\$ 7,243.12
5000	Clinic	Rent	\$ 7,810.18
5001	Office	Rent	\$ 6,467.13

Total \$ 65,812.66

SALT	Hotel	\$ 733.05
IFEBP	DC	\$ 1,735.35
IFEBP	Annual	\$ 1,515.00
Meetings	Dallas	\$ 58.00
CPS	Electric	\$ 593.00
AT&T	Phone	\$ 494.35
Documation	Copier	\$ 505.58
Shred-It	Shredding	\$ 400.09
Sams	Supplies	\$ 68.84
Meetings	Tacos	\$ 108.76
Express News	News	\$ 51.00
Frost	Fees	\$ 26.29

Total \$ 6,289.31

F&P Retiree Health Care Fund - Calendar
Statement of Plan Net Assets
June 30, 2019

June 30, 2019 December 31, 2018

ASSETS

Cash - City	\$ 0.00	\$ 0.00	
Cash - Trust	310,538.92	0.00	
Leasehold Improvements	659,942.70	659,942.70	
Investments - Trust	395,776,244.28	366,319,817.00	
Accrued Interest - Trust	1,165,477.83	2,430,360.09	
Pre-paid Expenses	237,464.00	15,000.00	
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Total Assets	398,149,667.73	369,425,119.79	

LIABILITIES

Claims Payable	3,615,790.73	3,457,744.00	
Accounts Payable	643,804.61	93,249.94	
Security Lending Collateral	346,372.98	0.00	
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Total Liabilities	4,605,968.32	3,550,993.94	

Net Assets Held in Trust	\$ 393,543,699.41	\$ 365,874,125.85	
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F&P Retiree Health Care Fund - Calendar
Statement of Changes in Plan Net Assets
For the Six Months Ending June 30, 2019

	Current Month	Current Budget	Year to Date	YTD Budget
Additions				
Contributions:				
City of San Antonio	\$ 2,630,015.98	2,750,000.00	\$ 17,035,969.84	17,350,000.00
Active	1,307,746.44	1,350,000.00	8,509,011.90	8,550,000.00
Retirees less than 30	55,102.32	58,000.00	334,051.90	346,000.00
COBRA	2,742.76	2,000.00	23,043.52	12,000.00
Children	74,754.91	94,000.00	454,749.41	560,000.00
Total Contributions	<u>4,070,362.41</u>	<u>4,254,000.00</u>	<u>26,356,826.57</u>	<u>26,818,000.00</u>
Investment Income:				
Interest	237,037.92	621,668.00	1,292,468.01	3,729,988.00
Net Appreciation of Inves	4,614,660.85	1,647,200.00	17,686,768.05	9,871,200.00
Other Income	0.00	250.00	8,860.81	2,500.00
Less Investment Expense	(34,110.52)	(16,150.00)	(207,677.17)	(112,400.00)
Net Investment Income	<u>4,817,588.25</u>	<u>2,252,968.00</u>	<u>18,780,419.70</u>	<u>13,491,288.00</u>
Total Additions	<u>8,887,950.66</u>	<u>6,506,968.00</u>	<u>45,137,246.27</u>	<u>40,309,288.00</u>
Deductions				
Members Benefit Paymen	2,058,119.03	2,950,000.00	14,285,061.46	17,454,000.00
COBRA Benefit Payment	0.00	2,100.00	8,625.63	12,400.00
Children's Benefit Payme	16,469.20	94,000.00	233,563.90	560,000.00
General and Administrati	462,211.99	500,850.00	2,940,421.72	2,916,900.00
Total Deductions	<u>2,536,800.22</u>	<u>3,546,950.00</u>	<u>17,467,672.71</u>	<u>20,943,300.00</u>
Net Increase	<u>6,351,150.44</u>	<u>2,960,018.00</u>	<u>27,669,573.56</u>	<u>19,365,988.00</u>

July 29, 2019

Expenses Paid since last Board Meeting

5002	Cecilia Puga	Per Diem	\$ 144.00
5003	U.S. Treasury	PCORI	\$ 9,662.80
5004	Wortham	Fid Ins	\$ 2,076.00

6/12/2019	Frost		\$ 84.40
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Expenses to be paid at this Board Meeting

5005	Alex Perez	Phone	\$ 70.00
5006	Andrew Estrada	Phone	\$ 70.00
5007	AT&T Mobility	Data	\$ 68.96
5008	Christopher Tobar	Taxi	\$ 68.75
5009	Doug Berry	Phone	\$ 70.00
5010	Cassandra Foley	Refund	\$ 353.22
5011	Frost	Apr-Jun	\$ 15,622.90
5012	Henry Trevino	Phone	\$ 70.00
5013	JCH	Computers	\$ 3,950.31
5014	Lee Munder	Apr-Jun	\$ 29,677.19
5015	Alfred Linton	Refund	\$ 353.22
5016	Christopher Lutton	Phone	\$ 70.00
5017	Martin Drought	June	\$ 8,255.78
5018	Meketa	July	\$ 20,833.33
5019	Mike Despres	Phone/Taxi	\$ 79.38
5020	Jesus Perez	Refund	\$ 353.22
5021	Mark Pocock	Refund	\$ 353.22
5022	USI	June	\$ 6,909.00
5023	Vincent Flores	Parking	\$ 42.00
5024	T-Mobile	Phone	\$ 83.33
5025	Richard Werner	Refund	\$ 353.22
5026	City Base	Rent	\$ 7,213.12
5027	Clinic	Rent	\$ 8,144.59
5028	Office	Rent	\$ 6,467.13

Total	\$ 121,499.07
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IFEBP	Certificate	\$ 3,274.88
IFEBP	Alternative	\$ 3,078.57
CPS	Electric	\$ 228.39
AT&T	Phone	\$ 446.21
Documation	Copier	\$ 505.58
Neopost	Postage	\$ 337.57
CPI	Supplies	\$ 496.20
Meetings	Tacos	\$ 104.32
Express News	News	\$ 51.00
Frost	Fees	\$ 22.85

Total	\$ 8,545.57
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