



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 August 26, 2019

PRESENT: Henry Trevino, Fire Department Retiree Representative;
Michael Despres, Police Department Representative;
Alex Perez, Police Department Retiree Representative;
Councilperson Jada Andrews-Sullivan, City of San Antonio;
Councilperson Melissa Cabello Havrda, City of San Antonio;
Mayoral Appointee Tom Silliman, City of San Antonio.

ABSENT: Doug Berry, Fire Department Representative;
Andrew Estrada, Fire Department Representative;
Chris Lutton, Police Department Representative;

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

At 10:03 a.m., Chair Despres called the meeting to order. Chair Despres administered the oath of office to Councilmembers Havrda and Andrews-Sullivan. The roll was called, and a quorum was declared present. The minutes from the meeting held on July 29, 2019 were reviewed and unanimously approved upon motion by Trustee Trevino and second by Trustee Perez.

EXECUTIVE SESSION: Executive Session: The Board adjourned into Executive Session at 11:05 a.m. pursuant to state law to discuss with counsel legal issues relating to real estate issues. The Executive Session adjourned at 11:46 a.m.

ACTION ITEMS:

1. Investments: Mr. Bounds briefed the Board on a recommendation from the Investment Committee to make a \$10 Million investment in Portfolio Advisors Credit Strategies Fund ("open ended" private debt). Upon motion by Trustee Silliman and second by Trustee Perez, the \$10 Million investment with Portfolio Advisors was unanimously approved effective October 1, 2019.

2. Personnel/ Audit: Mr. Bounds reported that the audit is substantially completed and will be presented at September meeting;
3. Benefits: Ms. Puga reported on update of APH software (patient's histories) which should be completed shortly.
4. Legislative: Mr. Burney provided the Board a summary of 2019 legislation passed by the Texas Legislature that may affect the Health Fund.
5. Administrative Report:
 - a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Perez and second by Trustee Havrda, a list of expenses and claims and the Financial Report were unanimously approved by the Board.
 - b. Elections: Mr. Bounds presented the election schedule for 2019.
 - c. Contribution Increase: Mr. Fenlaw and Mr. Bounds briefed the Board on contribution increases for COSA and active members effective September 1, 2019. Upon motion by Trustee Perez and second by Trustee Andrews-Sullivan, the Board unanimously approved the contribution increases.
 - d. Third Clinic: Mr. Bounds briefed the Board on the due diligence and search for location for a third clinic in the Northwest quadrant of San Antonio. Upon motion by Trustee Silliman and second by Trustee Andrews-Sullivan, the Board unanimously authorized Mr. Bounds to negotiate, engage, and execute a broker agreement and a contract to acquire the location at 9018 Culebra Road. Health-by-Design recommends approval of this property.
6. Consultant Report:
 - a. Legal: None.
 - b. Actuarial: Mr. Fenlaw presented recommended assumptions for the January 1, 2019 actuarial valuation. Upon motion by Trustee Trevino and second by Trustee Havrda, the Board unanimously approved the assumptions.
7. Educational Opportunities:

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

- IFEBP: 65th Annual Employee Benefits Conference, October 20-23, 2019
 - 17th Annual Made in America: Taft Hartley Benefits Summit, January 20-21, 2020
8. Other Matters Requiring Board Action: Mr. Bounds requested a change in the October Board meeting from October 21, 2019 to October 14, 2019. Upon motion by Trustee Perez and second by Trustee Trevino, the Board approved the change in the meeting date.
 9. Members to be Heard: Mr. Trainer invited the new Board members to attend the meetings of the Retirees Association. Mr. Ricketts provided testimony as to the value of the clinics.
 10. Next Meeting: The next regularly scheduled meeting will be September 23, 2019 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Havrda and second by Trustee Andrews-Sullivan that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:47 a.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes
- Actuarial Assumption 2019
- Election Schedule
- Legislative Developments 2019



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 AUGUST 26, 2019.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session on August 26, 2019 at 11:05 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 real estate 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 August 26, 2019 at 11:46 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 August 26, 2019 – 10:00 a.m.

1. Call to Order:
2. New Trustee Oath:
3. Roll Call:
4. 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 will 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 the Health Fund in Negotiations with a Third Party;**
 - b. **Government Code §551.071 - All Matters Where the 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;**
5. Minutes (Discussion and possible action):
 - Board Meeting Minutes for July 29, 2019
6. Committee Reports (discussion and possible action):
 - a. Investments:
 - Quarterly Presentation ending June 30, 2019
 - New \$10 Million Investment in Portfolio Advisors Credit Strategies Fund
 - b. Personnel/Audit:
 - Update on 2018 Audit

- c. Benefits:
 - Update on APH Software
 - Member request for partial month credit for contributions
 - d. Legislative:
 - briefing on legislation passed during 2019 Legislature that may affect Health Fund
7. Administrative report (discussion and possible action):
- a. Draft financial reports and list of expenditures for July 2019
 - b. Update on Elections
 - c. New Contribution rates for October 1, 2019
 - d. Authorization for the Executive Director to engage broker, negotiate and execute a Contract for the Purchase of an 11,700 square foot building for 3rd clinic in Northwest San Antonio, including, but not limited to 9018 Culebra Rd (Lot 12, Block 9, NCB 17639), San Antonio, TX 78251
8. Consultant Reports (discussion and possible action):
- a. Legal: Report by Frank Burney
 - b. Rudd & Wisdom: Presentation of Assumptions for audit and contribution rates
9. Educational Opportunities (discussion and possible action):
- IFEBP: 65th Annual Employee Benefits Conference
October 20-23, 2019
 - 17th Annual Made in America: Taft Hartley Benefits Summit
January 20-21, 2020
10. Other items requiring board action:
- Discussion on reschedule of October 21st Board Meeting to October 14th
11. Members to be heard:
12. 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 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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F&P Retiree Health Care Fund - Calendar
Statement of Plan Net Assets
July 31, 2019

July 31, 2019 December 31, 2018

ASSETS

Cash - City	\$	0.00	\$	0.00
Cash - Trust		315,891.97		0.00
Leasehold Improvements		659,942.70		659,942.70
Investments - Trust		396,581,361.59		364,884,819.00
Accrued Interest - Trust		1,004,850.57		2,430,360.09
Pre-paid Expenses		231,596.00		15,000.00
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Total Assets		398,793,642.83		367,990,121.79
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LIABILITIES

Claims Payable		3,735,036.14		3,457,744.00
Accounts Payable		606,086.10		93,249.94
Security Lending Collateral		346,372.98		0.00
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Total Liabilities		4,687,495.22		3,550,993.94
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Net Assets Held in Trust	\$	394,106,147.61	\$	364,439,127.85
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F&P Retiree Health Care Fund - Calendar
Statement of Changes in Plan Net Assets
For the Seven Months Ending July 31, 2019

	Current Month	Current Budget	Year to Date	YTD Budget
Additions				
Contributions:				
City of San Antonio	\$ 2,611,414.06	2,750,000.00	\$ 19,647,383.90	20,100,000.00
Active	1,304,649.06	1,350,000.00	9,813,660.96	9,900,000.00
Retirees less than 30	46,271.82	58,000.00	380,323.72	404,000.00
COBRA	2,742.76	2,000.00	25,786.28	14,000.00
Children	75,646.58	94,000.00	530,395.99	654,000.00
Total Contributions	<u>4,040,724.28</u>	<u>4,254,000.00</u>	<u>30,397,550.85</u>	<u>31,072,000.00</u>
Investment Income:				
Interest	223,940.09	621,668.00	1,516,408.10	4,351,656.00
Net Appreciation of Inves	464,694.58	1,648,300.00	18,453,124.17	11,519,500.00
Other Income	0.00	450.00	8,860.81	2,950.00
Less Investment Expense	(35,233.33)	(16,150.00)	(246,164.56)	(128,550.00)
Net Investment Income	<u>653,401.34</u>	<u>2,254,268.00</u>	<u>19,732,228.52</u>	<u>15,745,556.00</u>
Total Additions	<u>4,694,125.62</u>	<u>6,508,268.00</u>	<u>50,129,779.37</u>	<u>46,817,556.00</u>
Deductions				
Members Benefit Paymen	2,469,326.26	2,950,000.00	16,754,387.72	20,404,000.00
COBRA Benefit Payment	0.00	2,100.00	8,625.63	14,500.00
Children's Benefit Payme	16,507.89	94,000.00	250,071.79	654,000.00
General and Administrati	509,252.75	505,700.00	3,449,674.47	3,422,600.00
Total Deductions	<u>2,995,086.90</u>	<u>3,551,800.00</u>	<u>20,462,759.61</u>	<u>24,495,100.00</u>
Net Increase	<u>1,699,038.72</u>	<u>2,956,468.00</u>	<u>29,667,019.76</u>	<u>22,322,456.00</u>

August 26, 2019

Expenses Paid since last Board Meeting

5029	Leticia DeLeon	Framing	\$	17.32
5030	Mike Despres	Per Diem	\$	288.00

8/12/2019	Frost		\$	106.50
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Expenses to be paid at this Board Meeting

5031	Alex Perez	Phone	\$	70.00
5032	Andrew Estrada	Phone	\$	70.00
5033	AT&T Mobility	Data	\$	68.75
5034	Cecilia Puga	Per Diem	\$	144.00
5035	Cincinnati Insurance	Liability	\$	5,360.00
5036	Debra Silva	Per Diem	\$	144.00
5037	Doug Berry	Phone	\$	70.00
5038	Javier Fuentes	Refund	\$	11.08
5039	Henry Trevino	Phone	\$	70.00
5040	JCH	Web	\$	20.00
5041	Christopher Lutton	Phone	\$	70.00
5042	Martin Drought	July	\$	7,649.69
5043	Meketa	August	\$	20,833.33
5044	Mike Despres	Phone/Taxi	\$	70.00
5045	USI	August	\$	6,909.00
5046	T-Mobile	Phone	\$	83.33
5047	Wortham	Fiduciary Ins	\$	25,133.00
5048	City Base	Rent	\$	7,233.12
5049	Clinic	Rent	\$	7,879.96
5050	Office	Rent	\$	6,467.13

Total			\$	88,768.21
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Welldyne	Site visit	\$	663.85
Optium 360	Alternative	\$	334.65
IFEBP	Air	\$	317.96
CPS	Electric	\$	719.69
AT&T	Phone	\$	537.90
Documation	Copier	\$	505.58
CPI	Supplies	\$	408.73
Meetings	Tacos	\$	149.09
Express News	News	\$	102.00
Frost	Fees	\$	24.53

Total		\$	3,763.98
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