



# **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 September 23, 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 Jada Andrews-Sullivan, City of San Antonio;  
Mayoral Appointee Tom Silliman, City of San Antonio.

**ABSENT:** Andrew Estrada, Fire Department Representative;  
Councilperson Melissa Cabello Havrda, City of San Antonio;

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

At 10:03 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 August 26, 2019 were reviewed and unanimously approved upon motion by Trustee Trevino and second by Trustee Andrews-Sullivan.

### **EXECUTIVE**

**SESSION:** Executive Session: The Board adjourned into Executive Session at 10:50 a.m. pursuant to state law to discuss with counsel legal issues relating to benefit and litigation issues. The Executive Session adjourned at 11:10 a.m.

### **ACTION ITEMS:**

1. Investments: No report.
2. Personnel/ Audit:
  - a. Audit: will be presented at October meeting.

3. Benefits:

- a. APH Software: Installation is on-going and likely will be completed by November.
- b. Next meeting October 10<sup>th</sup> at 10:00 a.m. at Pension Fund.

4. Legislative:

Public Comment Policy. Mr. Burney informed the Board of the new Policy for Public Comments required by HB 2840 amendments to the Texas Open Meetings Act. Upon motion by Trustee Perez and second by Trustee Andrews-Sullivan, the Policy was unanimously approved.

5. Administrative Report:

- a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Berry and second by Trustee Andrews-Sullivan, a list of expenses and claims and the Financial Report were unanimously approved by the Board.
- b. Election Results: Mr. Bounds presented the results of the election results for Retired Fire Trustee, which was won by Henry Trevino. Upon motion by Trustee Berry and second by Trustee Andrews-Sullivan, the results were certified and congratulations extended to Trustee Trevino.

6. Consultant Report:

- a. Legal: No report.
- b. Actuarial: Mr. Fenlaw and Rebecca Morris presented the final actuarial report as of January 1, 2019. Additional contributions and benefit reductions are necessary to comply with 30 year period to amortize the unfunded liability. Study may require additional review as a result of fire arbitration. Upon motion Trustee Lutton and second by Trustee Silliman, the 2019 actuary report was unanimously approved.

7. Educational Opportunities:

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

- NAPO: 32<sup>nd</sup> Annual Pension & Benefits Seminar, January 26-28, 2020

- Newbury: 2019 Annual Meeting, November 12, 2019

8. Other Matters Requiring Board Action: None.

9. Next Meeting: The next regularly scheduled meeting will be October 14, 2019 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Perez and second by Trustee Berry that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:12 a.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes
- Policy on Public Comments
- Election Results



# 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 SEPTEMBER 23, 2019.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session on September 23, 2019 at 10:50 a.m.
2. SUBJECT MATTER OF EACH DELIBERATION:
  - 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. No further action was taken.
4. The executive session ended with the following announcement by the presiding officer: "This executive session ended on September 23, 2019 at 11:11 a.m."

---

Presiding Officer

N:\CORP\FBB\HBT\MINUTES 19\Exec Mins\9 23 19 ex mins - CERTIFIED.docx



# 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 September 23, 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 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;**
  - 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 August 26, 2019
5. Committee Reports (discussion and possible action):
  - a. Investments:
  - b. Personnel/Audit:
    - Acceptance of December 31, 2018 Audit

- c. Benefits:
  - Update on APH Software
- d. Legislative:
- 6. Administrative report (discussion and possible action):
  - a. Draft financial reports and list of expenditures for August 2019
  - b. Update on Elections
  - c. Policy on Public Comment
- 7. Consultant Reports (discussion and possible action):
  - a. Legal: Report by Frank Burney
  - b. Rudd & Wisdom: Acceptance of Actuarial Valuation Report for January 1, 2019
- 8. Educational Opportunities (discussion and possible action):
  - NAPO: 32<sup>nd</sup> Annual Pension & Benefits Seminar  
**January 26-28, 2020**
  - Newbury: 2019 Annual Meeting  
**November 12, 2019**
- 9. Members to be heard:
- 10. 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 that wish to address any Agenda item, they will be allowed up to 3 minutes (6 minutes if translation is needed) if they register at the beginning of meeting, 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 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: 65<sup>th</sup> Annual Employee Benefits Conference, October 20-23, 2019
  - 17<sup>th</sup> 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

N:\CORP\FBB\HBT\MINUTES 19\Exec Mins\8 26 19 ex mins - CERTIFIED.docx

F&P Retiree Health Care Fund - Calendar  
Statement of Plan Net Assets  
August 31, 2019

August 31, 2019                      December 31, 2018

**ASSETS**

Cash - City	\$                      0.00	\$                      0.00
Cash - Trust	311,548.49	0.00
Leasehold Improvements	659,942.70	659,942.70
Investments - Trust	394,611,777.01	364,884,819.00
Accrued Interest - Trust	1,192,519.77	2,430,360.09
Pre-paid Expenses	238,861.00	15,000.00
	<hr/>	<hr/>
Total Assets	397,014,648.97	367,990,121.79
	<hr/>	<hr/>

**LIABILITIES**

Claims Payable	3,734,979.39	3,457,744.00
Accounts Payable	633,808.07	93,249.94
Security Lending Collateral	346,372.98	0.00
	<hr/>	<hr/>
Total Liabilities	4,715,160.44	3,550,993.94
	<hr/>	<hr/>
Net Assets Held in Trust	\$    392,299,488.53	\$    364,439,127.85
	<hr/> <hr/>	<hr/> <hr/>

F&P Retiree Health Care Fund - Calendar  
Statement of Changes in Plan Net Assets  
For the Eight Months Ending August 31, 2019

	Current Month	Current Budget	Year to Date	YTD Budget
<b>Additions</b>				
Contributions:				
City of San Antonio	\$ 2,614,966.08	2,750,000.00	\$ 22,262,349.98	22,850,000.00
Active	1,306,099.17	1,350,000.00	11,119,760.13	11,250,000.00
Retirees less than 30	73,863.24	58,000.00	454,186.96	462,000.00
COBRA	2,045.84	2,000.00	27,831.92	16,000.00
Children	49,097.58	94,000.00	579,493.57	748,000.00
Total Contributions	<u>4,046,071.91</u>	<u>4,254,000.00</u>	<u>34,443,622.56</u>	<u>35,326,000.00</u>
Investment Income:				
Interest	243,665.57	621,668.00	1,760,073.67	4,973,324.00
Net Appreciation of Inves	(2,701,073.44)	1,648,300.00	15,752,050.73	13,167,800.00
Other Income	120.27	450.00	8,981.08	3,400.00
Less Investment Expense	<u>(38,333.33)</u>	<u>(18,950.00)</u>	<u>(284,497.89)</u>	<u>(147,500.00)</u>
Net Investment Income	<u>(2,495,620.93)</u>	<u>2,251,468.00</u>	<u>17,236,607.59</u>	<u>17,997,024.00</u>
Total Additions	<u>1,550,450.98</u>	<u>6,505,468.00</u>	<u>51,680,230.15</u>	<u>53,323,024.00</u>
<b>Deductions</b>				
Members Benefit Paymen	2,789,681.79	2,950,000.00	19,567,731.74	23,354,000.00
COBRA Benefit Payment	8.86	2,100.00	8,634.49	16,600.00
Children's Benefit Payme	20,584.41	94,000.00	269,293.51	748,000.00
General and Administrati	<u>516,885.57</u>	<u>526,600.00</u>	<u>3,974,209.73</u>	<u>3,949,200.00</u>
Total Deductions	<u>3,327,160.63</u>	<u>3,572,700.00</u>	<u>23,819,869.47</u>	<u>28,067,800.00</u>
Net Increase	<u>(1,776,709.65)</u>	<u>2,932,768.00</u>	<u>27,860,360.68</u>	<u>25,255,224.00</u>

September 23, 2019

Expenses Paid since last Board Meeting

5051	James Bounds	IFEBP	\$ 6,882.40
5052	Mike Despres	TexPERS	\$ 317.42

9/12/2019	Frost		\$ 124.20
-----------	-------	--	-----------

Expenses to be paid at this Board Meeting

5053	Alex Perez	Air & PerDiem	\$ 1,024.44
5054	Andrew Estrada	Phone	\$ 70.00
5055	AT&T Mobility	Data	\$ 68.75
5056	Doug Berry	Phone	\$ 70.00
5057	Garza Gonzalez	Audit	\$ 28,320.00
5058	Henry Trevino	Phone	\$ 70.00
5059	Intelliscan	Elections	\$ 6,160.14
5060	JCH	Web	\$ 20.00
5061	Leticia Deleon	Air & PerDiem	\$ 595.96
5062	Christopher Lutton	Phone	\$ 70.00
5063	Martin Drought	August	\$ 7,748.80
5064	Meketa	September	\$ 20,833.33
5065	Mike Despres	Phone/Car	\$ 189.20
5066	Rudd & Wisdom	Rates	\$ 2,738.50
5067	USI	September	\$ 6,909.00
5068	T-Mobile	Phone	\$ 83.33
5069	City Base	Rent	\$ 7,233.12
5070	Clinic	Rent	\$ 7,879.96
5071	Office	Rent	\$ 6,467.13

Total	\$ 103,875.68
-------	---------------

WEB	Site visit	\$ 697.92
TexPERS		\$ 740.64
LC Benefits Conference		\$ 1,364.16
Optium 360	Alternative	\$ 143.32
IFEBP	Air	\$ 404.96
CPS	Electric	\$ 766.23
Neopost	Mailout	\$ 2,515.86
AT&T	Phone	\$ 489.68
Documation	Copier	\$ 505.58
CPI	Supplies	\$ 313.68
Meetings	Tacos	\$ 111.46
Express News	News	\$ 51.00
Frost	Fees	\$ 25.39

Total	\$ 8,129.88
-------	-------------



## 2019 San Antonio Fire & Police Retiree Health Care Fund Election Ballot Results

### Retired Fire Trustee

	Votes Received	Percent
Henry Trevino .....	322	80%
Frank Gutierrez .....	79	20%

	Eligible	Voted Using			Total Voted
		Online Ballot	Paper Ballot	Phone Ballot	
Members.....	976	29	338	34	401



## 2019 San Antonio Fire & Police Retiree Health Care Fund Election Ballot Results

### Online and Phone Ballots Received

Weekday .....	Date .....	Ballots
Saturday .....	August 10, 2019 .....	10
Sunday .....	August 11, 2019 .....	6
Monday .....	August 12, 2019 .....	13
Tuesday .....	August 13, 2019 .....	4
Wednesday .....	August 14, 2019 .....	2
Thursday .....	August 15, 2019 .....	6
Friday .....	August 16, 2019 .....	1
Saturday .....	August 17, 2019 .....	4
Sunday .....	August 18, 2019 .....	1
Monday .....	August 19, 2019 .....	1
Tuesday .....	August 20, 2019 .....	4
Wednesday .....	August 21, 2019 .....	3
Thursday .....	August 22, 2019 .....	5
Friday .....	August 23, 2019 .....	3
.....	TOTAL .....	63