



# 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 October 14, 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;  
Councilperson Jada Andrews-Sullivan, City of San Antonio;  
Mayoral Appointee Tom Silliman, City of San Antonio.

ABSENT: 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 10:05 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 September 23, 2019 were reviewed and unanimously approved upon motion by Trustee Trevino and second by Trustee Perez. Mr. Burney advised those in attendance of a new policy for allowing public to speak.

EXECUTIVE  
SESSION: Executive Session: None.

ACTION  
ITEMS:

1. Investments: Investment Committee will occur on November 19, 2019 at 8:30 a.m. at the Pension office.
2. Personnel/Audit: Garza/Gonzales presented the FY 2018 audit, which is a "unmodified" audit with one note as to value of alternate investments. Upon motion by Trustee Lutton and second by Trustee Estrada, the Board unanimously approved the audit.

3. Benefits: Training for APH Software is underway. Annual workshop on November 6<sup>th</sup> at 10:00 a.m. at Alzafar Shrine.

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 Andrews-Sullivan, a list of expenses and claims and the Financial Report were unanimously approved by the Board.

b. 2020 Children's Insurance Rates: Mr. Bounds presented rates for children (178 children – 85 families) at \$827.70 per month per family (\$891.67 prior year). Upon motion by Trustee Berry and second by Trustee Lutton, the 2020 Children's Insurance Rates were unanimously approved.

c. 2020 COBRA Insurance Rates: Mr. Bounds presented COBRA Insurance rates of \$688 (\$683) for COBRA coverage (3 persons). Upon motion by Trustee Perez and second by Trustee Trevino, the 2020 COBA Insurance rates were unanimously approved.

d. Engagement of Firm for Marketing Services: Mr. Bounds report on search for marketing firms that could be engaged to encourage members to use clinics (50% participation rate). Upon motion by Trustee Andrews-Sullivan and second by Trustee Silliman, the firm of GDC for marketing services was unanimously engaged for \$15,000 committed for initial scope of work with proposed budget to be provided.

6. Consultant Report:

a. Legal: None.

b. Actuarial: None.

7. Educational Opportunities:

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

- Opal: Public Funds Summit, January 6-8, 2020
- Aether Annual Meeting, January 22-23, 2020

8. Other Matters Requiring Board Action: None.
9. Members to be Heard: None.
10. Next Meeting: The next regularly scheduled meeting will be November 25, 2019 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Perez and second by Trustee Andrews-Sullivan that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 10:53 a.m.

Enclosures

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



# 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 October 14, 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 September 23, 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 September 2019
  - b. Acceptance of 2020 Children's Rates
  - c. Acceptance of 2020 COBRA Rates
  - d. Engagement of GDC Marketing & Ideation for Marketing Services
7. Consultant Reports (discussion and possible action):
- a. Legal: Report by Frank Burney
8. Educational Opportunities (discussion and possible action):
- Opal: Public Funds Summit  
**January 6-8, 2020**
  - Aether Annual Meeting  
**January 22-23, 2020**
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 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."

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Presiding Officer

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

September 30, 2019                      December 31, 2018

**ASSETS**

Cash - City	\$ 0.00	\$ 0.00
Cash - Trust	309,954.19	0.00
Leasehold Improvements	659,942.70	659,942.70
Investments - Trust	398,490,058.40	364,884,819.00
Accrued Interest - Trust	1,379,409.32	2,430,360.09
Pre-paid Expenses	285,979.00	15,000.00
	<u>401,125,343.61</u>	<u>367,990,121.79</u>
<b>Total Assets</b>		

**LIABILITIES**

Claims Payable	3,739,414.56	3,457,744.00
Accounts Payable	656,602.89	93,249.94
Security Lending Collateral	346,372.98	0.00
	<u>4,742,390.43</u>	<u>3,550,993.94</u>
<b>Total Liabilities</b>		

Net Assets Held in Trust	\$ <u><u>396,382,953.18</u></u>	\$ <u><u>364,439,127.85</u></u>
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F&P Retiree Health Care Fund - Calendar  
Statement of Changes in Plan Net Assets  
For the Nine Months Ending September 30, 2019

	Current Month	Current Budget	Year to Date	YTD Budget
<b>Additions</b>				
Contributions:				
City of San Antonio	\$ 2,632,607.90	2,750,000.00	\$ 24,894,957.88	25,600,000.00
Active	1,314,756.30	1,350,000.00	12,434,516.43	12,600,000.00
Retirees less than 30	49,450.80	58,000.00	503,637.76	520,000.00
COBRA	685.64	2,000.00	28,517.56	18,000.00
Children	73,863.24	94,000.00	653,356.81	842,000.00
<b>Total Contributions</b>	<b>4,071,363.88</b>	<b>4,254,000.00</b>	<b>38,514,986.44</b>	<b>39,580,000.00</b>
Investment Income:				
Interest	371,200.53	621,669.00	2,131,274.20	5,594,993.00
Net Appreciation of Inves	2,829,403.27	1,647,300.00	18,581,454.00	14,815,100.00
Other Income	0.00	450.00	8,981.08	3,850.00
Less Investment Expense	(38,133.33)	(18,950.00)	(322,631.22)	(166,450.00)
<b>Net Investment Income</b>	<b>3,162,470.47</b>	<b>2,250,469.00</b>	<b>20,399,078.06</b>	<b>20,247,493.00</b>
<b>Total Additions</b>	<b>7,233,834.35</b>	<b>6,504,469.00</b>	<b>58,914,064.50</b>	<b>59,827,493.00</b>
<b>Deductions</b>				
Members Benefit Paymen	2,614,464.95	2,950,000.00	22,182,196.69	26,304,000.00
COBRA Benefit Payment	6.60	2,100.00	8,641.09	18,700.00
Children's Benefit Payme	15,273.67	94,000.00	284,567.18	842,000.00
General and Administrati	520,624.48	522,350.00	4,494,834.21	4,471,550.00
<b>Total Deductions</b>	<b>3,150,369.70</b>	<b>3,568,450.00</b>	<b>26,970,239.17</b>	<b>31,636,250.00</b>
<b>Net Increase</b>	<b>4,083,464.65</b>	<b>2,936,019.00</b>	<b>31,943,825.33</b>	<b>28,191,243.00</b>

October 14, 2019

Expenses Paid since last Board Meeting

10/12/2019 Frost \$ 198.24

Expenses to be paid at this Board Meeting

5072	Alex Perez	Phone	\$ 70.00
5073	Andrew Estrada	Phone	\$ 70.00
5074	AT&T Mobility	Data	\$ 68.75
5075	Doug Berry	Phone	\$ 70.00
5076	Henry Trevino	Phone	\$ 70.00
5077	JCH	Web	\$ 20.00
5078	Lee Munder	Jul-Sept 2019	\$ 34,565.06
5079	Christopher Lutton	Phone	\$ 70.00
5080	Martin Drought	September	\$ 18,344.95
5081	Meketa	October	\$ 20,833.33
5082	Mike Despres	Phone	\$ 70.00
5083	USI	October	\$ 6,909.00
5084	T-Moble	Phone	\$ 83.33

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Total \$ 81,442.66

FRA	Site visit	\$ 3,020.37
TexPERS		\$ 170.45
LC Benefits Conference		\$ 990.96
Aether	Site visit	\$ 1,107.24
IFEBP	Air	\$ 4,925.93
CPS	Electric	\$ 831.86
Neopost	Mailout	\$ 2,244.27
AT&T	Phone	\$ 501.35
Documation	Copier	\$ 505.58
CPI	Supplies	\$ 419.22
Meetings	Tacos	\$ 132.91
Express News	News	\$ 51.00
Frost	Fees	\$ 25.43

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Total \$ 14,926.57

Setting 2020 Childrens Rates

			Jan-Sept	
	Police	13-631	389,530.43	
	Fire	13-632	263,826.38	
	Contributions			653,356.81
	Medical	13-811	214,780.35	
	Rx	13-812	69,786.83	
	Costs			284,567.18
	Surplus			368,789.63
	Police			
	Fire			
	Family Count			85
	2019 Rate			891.67
	12/31/18 Debt			556,542.58
	12/31/19 Debt Projected			64,835.37
	Reserve			400,000.00
A	2019 cost/count		4,463.80	
				371.98
B	2019 cost/count		4,463.80	
	Debt + 1/2 Reserve		3,115.71	
				631.63
C	2019 cost/count		4,463.80	
	Debt + Reserve		5,468.65	
				827.70
D	CPI-U inflation			909.50

