

**Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
June 28, 2021**

COVID-19 NOTICE: Due to the COVID-19 Pandemic, special rules are in effect for members of the public who choose to attend this meeting at Martin & Drought, 112 E. Pecan, Suite 1616, San Antonio, Texas 78205. Guidelines issued by the City of San Antonio will be observed: <https://covid19.sanantonio.gov/Home>

To protect the health of the public and limit the potential spread of COVID 19 as directed by Governor of Texas, Bexar County and City of San Antonio, the meeting will be held in compliance with the suspended provisions of the Texas Open Meetings Act. For those members of the public that would like to participate by phone, please call:

Dial-in Information: Join Zoom Meeting

<https://us06web.zoom.us/j/82266856458?pwd=ZytwYWxsWUhhNcTVRVVXIrMlhWL3RJUT09>

Meeting ID: 822 6685 6458

Passcode: 085757

PRESENT: Henry Trevino, Fire Department Retiree Representative;
Chris Lutton, Police Department Representative;
Doug Berry, Fire Department Representative;
Jason Sanchez, Police Department Representative;
Alex Perez, Police Department Retiree Representative;
Mayoral Appointee Tom Silliman, City of San Antonio.

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

OTHERS James Bounds, Executive Director;
PRESENT: Cecilia Puga Retiree Health Care;
Frank Burney, Martin & Drought, P.C.; and
Kimberly Nunez, City of San Antonio.

At 10:03 a.m., Chair Berry called the meeting to order. The roll was called, and a quorum was declared present. The minutes from the meetings held on May 17, 2021 were reviewed and unanimously approved upon motion by Trustee Trevino and second by Trustee Silliman.

EXECUTIVE

SESSION: Executive Session: The Board adjourned into Executive Session at 10:45 a.m. pursuant to state law to discuss with counsel legal issues relating to litigation and other matters that require consultation with Fund attorney. The Executive Session adjourned at 11:31 a.m.

MEMBERS
TO BE

HEARD: None.

ACTION
ITEMS:

1. Investments: Mr. Bounds report on discussions at the Investment Committee for a \$25 Million investment in Portfolio Advisors Private Equity Fund XI. Upon motion by Trustee Lutton and second by Trustee Trevino, the investment was unanimously approved. Next Committee meeting will be Tuesday, August 31, 2021, in conjunction with TEXPERS.
2. Personnel/ Audit: Mr. Bounds reported that field work for audit is complete but certain adjustments in private equity continue with an estimated annual return of 13+%.
3. Benefits:
 - a. Diabetic Program. Ms. Puga reported that the Program will go “live” this week with the goal of steering members into Health-by-Design for consultation and possible treatment. Board asked for reports on participation in program.
 - b. Health-by-Design. Mr. Bounds reported that Health-by-Design was purchased by Medici, a doctor group out of Austin, Texas. Mr. Bounds will meet with new group to insure continuity of service.
 - c. Next Meeting. The next meeting will be on July 7, 2021 at 10:00 a.m.
4. Legislative: Mr. Burney reported that Special Session will begin on July 8th. He also reported on some bills affecting statewide pension plans. Mr. Burney will research cost cap of insulin legislation.
5. Administrative Report:
 - a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Lutton and second by Trustee Silliman, a

list of expenses and claims and the Financial Report were unanimously approved by the Board. Mr. Bounds noted that Fund's assets now exceed \$500 Million.

Construction costs related to real estate/clinic projects are on-going. Board asked for construction meeting update on Tuesday, July 13, 2021 at 10:00 a.m.

6. Consultant Report:

a. Legal: None.

b. Actuarial: None.

7. Educational Opportunities:

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

- TEXPERS, August 29-31, 2021, San Antonio, Texas.
- IFEBP: Certificate Series, September 27 – October 2, 2021.
- IFEBP: 67th Annual Employee Benefits Conference, October 17-20, 2021.

8. Next Meeting: The next regularly scheduled meeting will be July 26, 2021 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Lutton and second by Trustee Sanchez 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
- Minutes

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AGENDA
BOARD OF TRUSTEES MEETING
FIRE AND POLICE RETIREE HEALTH CARE FUND
TO BE HELD AT THE OFFICE OF MARTIN & DROUGHT LOCATED AT
112 E. PECAN STREET, SUITE 1616, SAN ANTONIO, TX 78205
Monday, June 28, 2021-10:00 a.m.

COVID-19 NOTICE: Due to the COVID-19 Pandemic, special rules are in effect for members of the public who choose to attend this meeting. Guidelines issued by the City of San Antonio will be observed: <https://covid19.sanantonio.gov/Home>

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*In-person attendance for those Trustees or public that can attend;

*For those that cannot attend, Public or Trustees can join the meeting through: Zoom

<https://us06web.zoom.us/j/82266856458?pwd=ZytwYWxsWUhnNcTVRVXlrMlhWLRJUT09>

Meeting ID: 822 6685 6458

Passcode: 085757

For additional information, please call 210-494-6500

Call to Order:

1. Roll Call: Doug Berry, Henry Trevino, Andrew Estrada, Chris Lutton, Alex Perez, Jason Sanchez Councilperson Jada Andrews-Sullivan, Councilperson Melissa Cabello Havrda, 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. Minutes (Discussion and possible action):

- Board Meeting Minutes for May 17, 2021

4. Public Comment

5. Committee Reports (discussion and possible action):

a. Investments:

- 25-million-dollar commitment to Portfolio Advisors Private Equity Fund ~~XL~~ ^{XI}

b. Personnel/Audit:

- Update on Audit

c. Benefits:

- Update on Diabetic Program

d. Legislative:

6. Administrative report (discussion and possible action):

- a. Draft financial reports and list of expenditures

7. Consultant Reports (discussion and possible action):

- a. Legal: Report by Frank Burney

8. Educational Opportunities (discussion and possible action):

- IFEBP: Certificate Series September 27-October 2, 2021
- IFEBP: 67th Annual Employee Benefits Conference October 17-20, 2021

9. 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.



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Dial-in Information: <https://zoom.us/j/98224688879?pwd=VC82NVZpWW9uZUdzNmFMYmpaQUI0Zz09>

Meeting ID: 982 2468 8879

Passcode: 218636

PRESENT: Henry Trevino, Fire Department Retiree Representative;
Chris Lutton, Police Department Representative;
Doug Berry, Fire Department Representative;
Jason Sanchez, Police Department Representative;
Alex Perez, Police Department Retiree Representative;
Councilperson Melissa Cabello Havrda, City of San Antonio;
Mayoral Appointee Tom Silliman, City of San Antonio.

ABSENT: Andrew Estrada, Fire Department Representative; and
Councilperson Jada Andrews-Sullivan, City of San Antonio.

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

At 10:06 a.m., Chair Berry called the meeting to order. The roll was called, and a quorum was declared present. The minutes from the meetings held on April 26, 2021 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 11:03 a.m. pursuant to state law to discuss with counsel legal issues relating to benefit issues. The Executive Session adjourned at 11:15 a.m.

MEMBERS

TO BE

HEARD: None.

ACTION

ITEMS:

1. Investments: Chair Lutton briefed the Board on search for Private Equity & Private Debt investments/managers. Discussions continue with consultant Meketa for future Board consideration.

Committee recommended \$20 Million allocation to Portfolio Advisors. Upon motion by Trustee Sanchez and second by Trustee Cabello Havrda, the Board unanimously approved a \$20 Million investment with Portfolio Advisors in private debt.

Next meeting will be on June 1, 2021 at 10:30 a.m. at the Health Fund office.

2. Personnel/ Audit: Audit will start mid-June to be finished by end of July.
3. Benefits:
 - a. Telemedicine. Ms. Puga advised the Board that use of telemedicine visits for COVID visits would terminate May 31, 2021. Upon motion by Trustee Sanchez and second by Trustee Perez, the Board unanimously approved extension of telemedicine visits to in-network doctors until end of year.
 - b. Pharmacy Consulting. USI is being paid \$10,000 per month for Pharmacy Consulting. Trustee Silliman raised questions as to this expenditure. Board instructed staff to schedule USI for explanation at future meeting.
 - c. Alternative Drug Therapy Program. Certain brand name drugs have high costs compared with alternative drugs. Proposal is to update list of alternative drugs (7 medications) for brand names. Member will pay extra for choice of these brand name drugs. Upon motion by Trustee Lutton and second by Trustee Perez, the list of alternative drug therapies was amended.

- d. Welldyne Diabetic Program. Welldyne presented its Diabetic Program for implementation to diabetic members. Health-by-Design will work with Welldyne on prescribed treatment for patients. Coordination should result in lower costs and better treatment. Welldyne offered a free 90-Day trial for this program, commencing July 1, 2021.
 - e. Website. Chair asked for further coordination on Health Fund website with providers.
 - f. Future Meeting. Next meeting is on July 7, 2021 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 Trevino and second by Trustee Perez, a list of expenses and claims and the Financial Report were unanimously approved by the Board.
 6. Consultant Report:
 - a. Legal: None.
 - b. Actuarial: None.
 7. Educational Opportunities: None.
 8. Next Meeting: The next regularly scheduled meeting will be June 28, 2021 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Silliman and second by Trustee Perez that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:17 a.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes
- Alternative Drug Therapy
- Investment Committee Presentations

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 EXECUTIVE SESSION OF THE BOARD CONDUCTED ON MAY 17, 2021.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session on May 17, 2021 at 11:03 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 benefits, real estate, litigation and personnel matters.
3. No further action was taken.
4. The executive session ended with the following announcement by the presiding officer: "This executive session ended on May 17, 2021 at 11:15 a.m."

Presiding Officer

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F&P Retiree Health Care Fund - Calendar
Statement of Plan Net Assets
May 31, 2021

May 31, 2021 December 31, 2020

ASSETS

Cash - City	\$	0.00	\$	0.00
Cash - Trust		387,805.63		0.00
Leasehold Improvements		5,844,522.99		5,844,522.99
Investments - Trust		507,064,378.60		477,023,114.49
Accrued Interest - Trust		1,930,024.91		2,100,235.22
Pre-paid Expenses		474,561.07		18,190.00
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Total Assets		515,701,293.20		484,986,062.70
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LIABILITIES

Claims Payable		3,564,409.64		3,643,523.02
Accounts Payable		101,965.61		287,825.22
Security Lending Collateral		0.00		0.00
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Total Liabilities		3,666,375.25		3,931,348.24
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Net Assets Held in Trust	\$	512,034,917.95	\$	481,054,714.46
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F&P Retiree Health Care Fund - Calendar
Statement of Changes in Plan Net Assets
For the Five Months Ending May 31, 2021

	Current Month	Current Budget	Year to Date	YTD Budget
Additions				
Contributions:				
City of San Antonio	\$ 3,175,314.94	3,412,000.00	\$ 17,412,709.38	17,060,000.00
Active	1,587,121.06	1,707,000.00	8,701,618.56	8,535,000.00
Retirees less than 30	73,418.40	68,000.00	325,126.88	340,000.00
COBRA	3,421.03	1,700.00	17,516.10	8,500.00
Children	48,662.53	46,000.00	230,190.17	230,000.00
Total Contributions	4,887,937.96	5,234,700.00	26,687,161.09	26,173,500.00
Investment Income:				
Interest	271,887.97	424,500.00	1,201,716.65	2,118,100.00
Net Appreciation of Inves	4,678,307.20	1,991,000.00	20,273,227.17	9,914,000.00
Other Income	29,672.50	2,000.00	30,473.92	6,000.00
Less Investment Expense	(51,033.33)	(42,000.00)	(240,523.79)	(206,000.00)
Net Investment Income	4,928,834.34	2,375,500.00	21,264,893.95	11,832,100.00
Total Additions	9,816,772.30	7,610,200.00	47,952,055.04	38,005,600.00
Deductions				
Members Benefit Paymen	3,360,736.50	2,916,000.00	13,033,657.16	14,579,000.00
COBRA Benefit Payment	37.15	1,750.00	443.76	8,746.00
Children's Benefit Payme	18,295.14	46,000.00	90,844.83	229,000.00
General and Administrati	721,237.36	825,950.00	3,846,905.80	4,093,850.00
Total Deductions	4,100,306.15	3,789,700.00	16,971,851.55	18,910,596.00
Net Increase	5,716,466.15	3,820,500.00	30,980,203.49	19,095,004.00

June 29, 2021

Expenses Paid since last Board Meeting

5504	City Base	Jun Rent	7,461.16
5505	Clinic	Jun Rent	8,220.35
5506	5530 Tezel	Jun Rent	17,669.17
5507	Office	Jun Rent	6,676.38

6/12/2021	Frost		\$ 245.55
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Expenses to be paid at this Board Meeting

5508	Aetna Sign	Deposit	\$ 39,630.09
5509	Capital Development	May	\$ 17,929.58
5510	CDS Muery	May	\$ 17,467.50
5511	FCB	April/May	\$ 3,228.50
5512	SPI	May	\$ 2,575.00
5513	RVK	May	\$ 69,403.99
5514	Alex Perez	Phone	\$ 70.00
5515	Andrew Estrada	Phone	\$ 70.00
5516	AT&T Mobility	Data	\$ 68.75
5517	Doug Berry	Phone	\$ 70.00
5518	GDC	June	\$ 5,000.00
5519	Henry Trevino	Phone	\$ 70.00
5520	Jason Sanchez	Phone/Travel	\$ 232.00
5521	Christopher Lutton	Phone	\$ 70.00
5522	Martin Drought	May	\$ 13,784.13
5523	Meketa	June	\$ 20,833.33
5524	USI	June	\$ 7,250.00
5525	USI Rx	May	\$ 11,118.00
5526	T-Mobile	June	\$ 83.33

Total			\$ 249,226.81
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Made in America	Hotel	\$ 1,309.93
TexPERS	Registration	\$ 56.19
CPS	Electric	\$ 1,606.04
AT&T	Phone	\$ 648.66
Supplies	sam's	\$ 712.86
Documation	Copier	\$ 397.00
Meeting	Workshop	\$ 195.92
Postage	Fed Ex	\$ 985.40
Dues	IFEBP, Ncpers	\$ 60.00
Frost	Fees	\$ 29.47

Total		\$ 6,001.47
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