



## 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 24, 2010

PRESENT: Doug Berry, Fire Department Representative;  
Henry Trevino, Fire Department Retiree Representative;  
Robert Martinez, Police Department Representative;  
Gerald P. Clancy, Police Department Retiree Representative;  
Michael Despres, Police Department Representative;  
Andrew Estrada, Fire Department Representative;  
Art Hall, representing the Mayor of the City of San Antonio;  
Councilperson Justin Rodriguez, City of San Antonio; and  
Councilperson Philip Cortez, City of San Antonio.

ABSENT: None.

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

At 9:12 a.m., Chair Martinez called the meeting to order. The roll was called, and a quorum was declared present. The minutes from the meeting held on July 20, 2010 were reviewed and unanimously approved upon motion by Trustee Trevino and second by Trustee Despres.

#### EXECUTIVE

SESSION: Executive Session: The Board adjourned into Executive Session at 9:13 a.m. pursuant to state law to discuss with counsel legal issues relating to real estate and benefits. The Executive Session adjourned at 9:55 a.m.

#### ACTION ITEMS:

1. Investments:
  - a. Quarterly Review: Chair Despres informed the Board that Silver Creek was liquidating its investment in hedge funds and reviewed quarterly report from consultant.

- b. Aether Capital Investment Partners: Chair Despres reported on a site visit to Aether which was favorable. Upon motion by Chair Despres and second by Trustee Berry, the Board unanimously approved a \$10 million investment in Aether (private equity – natural resources).
  - c. Kingdom Capital Management & Clovis Capital Partners: Upon motion by Trustee Despres and second by Trustee Hall, the Board unanimously approved an additional \$1 million investment each in Kingdom and Clovis investments (hedge funds).
- 2. Personnel/ Audit: None.
  - 3. Benefits: November 17 is booked for annual retiree meeting at Fire Fighter's Hall (two meetings).
  - 4. Legislative: Chair Clancy briefed the Board on possible plan design issues that need to be considered in light of PPACA (September 15, 2010 meeting to discuss).
  - 5. Administrative Report:
    - a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Hall and second by Trustee Cortez, a list of expenses and claims and the Financial Report were unanimously approved by the Board.
    - b. Budget: Mr. Bounds reviewed proposed FY2010-11 Budget and asked for comments.
    - c. COSA/Member Contribution Rates: Mr. Bounds briefed the Board on issues relating to contribution rates (26 v. 27 weeks).
  - 6. Consultant Report:
    - a. Legal: Mr. Burney reported on Medicare Part D premium increase and update on Standards.
    - b. Actuarial: No report.
  - 7. Educational Opportunities:

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

- OPAL Global Asset Allocation Summit, October 3-5, 2010

- CLEAT 34<sup>th</sup> Annual Convention, October 8-9, 2010
- NCPERS Public Safety Employees Pension & Benefits Conference, October 10-13, 2010

8. Other Matters Requiring Board Action: None
9. Members to be Heard: None.
10. Next Meeting: The next regularly scheduled meeting will be September 21, 2010 at 9:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Berry and second by Trustee Clancy that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 10:42 a.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Draft Budget



## FIRE AND POLICE RETIREE HEALTH CARE FUND, SAN ANTONIO



### Minutes of Executive Session – Board Meeting Fire and Police Retiree Health Care Fund, San Antonio August 24, 2010

**PRESENT:** Henry Trevino, Fire Department Retiree Representative;  
Robert Martinez, Police Department Representative;  
Gerald P. Clancy, Police Department Retiree Representative;  
Michael Despres, Police Department Representative;  
Andrew Estrada, Fire Department Representative;  
Doug Berry, Fire Department Representative;  
Art Hall, representing the Mayor of the City of San Antonio;  
Councilperson Justin Rodriguez, City of San Antonio; and  
Councilperson Philip Cortez, City of San Antonio.

**ABSENT:** None.

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

**EXECUTIVE  
SESSION:** Executive Session: Pursuant to state law, the Board recessed to Executive Session at 9:13 a.m. to discuss attorney-client matters relating to real estate and legal issues regarding benefits.

**ADJOURNMENT:** There being no further business, the Executive Session adjourned at 9:55 a.m.

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F&P Retiree Health Care Fund  
Statement of Plan Net Assets  
July 31, 2010

July 31, 2010                      September 30, 2009

**ASSETS**

Cash - City	\$	0.00	\$	0.00
Cash - Trust		3,908,828.04		11,449.76
Security Lending Collateral		5,690,128.00		7,938,023.00
Investments - Trust		177,017,160.75		168,135,446.57
Accrued Interest - Trust		27,378.55		99,386.04
Pre-paid Expenses		23,454.20		13,500.00
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<b>Total Assets</b>		<b>186,666,949.54</b>		<b>176,197,805.37</b>
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**LIABILITIES**

Claims Payable		2,545,387.13		2,497,958.00
Accounts Payable		129,386.53		277,976.39
Security Lending Collateral		5,690,128.00		7,938,023.00
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<b>Total Liabilities</b>		<b>8,364,901.66</b>		<b>10,713,957.39</b>
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<b>Net Assets Held in Trust</b>	<b>\$</b>	<b>178,302,047.88</b>	<b>\$</b>	<b>165,483,847.98</b>
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F&P Retiree Health Care Fund  
Statement of Changes in Plan Net Assets  
For the Ten Months Ending July 31, 2010

	Current Month	Current Budget	Year to Date	YTD Budget
<b>Additions</b>				
Contributions:				
City of San Antonio	\$ 1,721,948.80	1,880,000.00	\$ 18,810,922.88	18,150,560.00
Active	623,100.04	700,000.00	6,803,865.12	6,560,228.00
Retirees	45,809.54	42,300.00	441,736.90	416,688.00
Total Contributions	<u>2,390,858.38</u>	<u>2,622,300.00</u>	<u>26,056,524.90</u>	<u>25,127,476.00</u>
Investment Income:				
Interest	51,328.06	19,500.00	531,613.49	177,000.00
Net Appreciation of Inves	3,345,371.86	1,358,000.00	6,281,682.82	12,513,000.00
Other Income	9,057.48	320.00	78,149.25	4,110.00
Less Investment Expense	(51,425.00)	(46,255.00)	(467,989.97)	(442,530.00)
Net Investment Income	<u>3,354,332.40</u>	<u>1,331,565.00</u>	<u>6,423,455.59</u>	<u>12,251,580.00</u>
Total Additions	<u>5,745,190.78</u>	<u>3,953,865.00</u>	<u>32,479,980.49</u>	<u>37,379,056.00</u>
<b>Deductions</b>				
Benefit Payments	1,830,367.08	1,950,000.00	18,352,898.12	19,310,723.00
General and Administrati	119,704.81	128,686.00	1,308,882.47	1,287,971.00
Total Deductions	<u>1,950,071.89</u>	<u>2,078,686.00</u>	<u>19,661,780.59</u>	<u>20,598,694.00</u>
Net Increase	<u>3,795,118.89</u>	<u>1,875,179.00</u>	<u>12,818,199.90</u>	<u>16,780,362.00</u>

August 24, 2010

Expenses Paid since last Board Meeting

Frost	August 10	381.04
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Expenses to be paid at this Board Meeting

2922	Andrew Estrada	Phone	\$	70.00
2923	Art Hall	Phone	\$	70.00
2924	AT&T	August '10	\$	428.19
2925	Cecilia Puga	Per Diem	\$	72.00
2926	Citibank	August '10	\$	1,912.16
2927	Doug Berry	Per Diem/Phone	\$	142.00
2928	Gerard Clancy	Phone	\$	70.00
2929	Henry Trevino	Phone	\$	70.00
2930	JCH	August '10	\$	256.25
2931	James Bounds	Per Diem	\$	144.00
2932	MartinDrought	July '10	\$	13,520.25
2933	Mike Despres	Per Diem/Phone	\$	142.00
2934	Robert Martinez	Phone	\$	70.00
2935	Thornburg	Apr-Jun 10	\$	24,301.28
2936	Stephen Verschoyle	Refund	\$	314.70
2937	T-Mobil	August '10	\$	83.33
2938	Talcott	August '10		<u>464.92</u>

Total	\$	42,512.12
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