

**BEXAR COUNTY BOARD OF TRUSTEES FOR
MENTAL HEALTH MENTAL RETARDATION SERVICES d/b/a**

THE CENTER FOR HEALTH CARE SERVICES

Special-Called Board Meeting

Wednesday, October 7, 2009

3031 IH 10 West

San Antonio, Texas 78201

5:00 p.m.

TRUSTEES PRESENT: Margaret M. Vera, Chair
Rebecca G. Brown, Vice-Chair
Sam Williams, Jr., Secretary
Harry Griffin, Treasurer
Dianna M. Burns-Banks, M.D.
Mary Rose Brown
Ted Terrazas

TRUSTEES ABSENT: Richard P. Usatine, M.D.
Ruben D. Zamora

STAFF PRESENT: Leon Evans, President/Chief Executive Officer
Charles H. Boone, Chief Operating Officer
Mark A. Carmona, Chief Administrative Officer
John A. Smith, General Counsel
Robert Guevara, Controller
Ramona Flores, Human Resources Director
Cynthia A. Martinez, Contracts Mgmt/Procurement Director
Joseph Perretta, Contracts Manager
Linda Rodriguez, Executive Assistant/Board Liaison
Terresa Smith, Executive Administrative Technician

GUEST PRESENT: Dan Magaro, Principal, Retirement Horizons

The Special-Called meeting of the Bexar County Board of Trustees for Mental Health Mental Retardation Services d/b/a The Center for Health Care Services was held on Wednesday, October 7, 2009, at 3031 IH 10 West, San Antonio, Texas.

**CALL MEETING TO ORDER
CERTIFICATION OF QUORUM**

The meeting was called to order by Madame Chair Margaret Vera at 5:04 p.m., with the following trustees present: Messrs. Griffin, Terrazas, Williams, and Ms. RG Brown, thereby establishing a quorum.

INVOCATION – Invocation was given by Mr. Sam Williams, Jr.

PLEDGE OF ALLEGIANCE – Led by Ms. Margaret Vera

1. Overview of the Center's Current Retirement Plan Structure and Review of the Process followed on the Request for Proposal on Professional Investment Advisor Services for the Center's 401(a) and 457(b) Retirement Plans

Ms. Vera briefly gave an overview of the work that the Finance Committee has done in terms of this project and thanked the staff and committee for all their hard work and diligence.

Mr. Dan Magaro from Retirement Horizons was introduced at this time. He briefly talked about the services that his company provides to the Center, mainly the administrative record-keeping for the retirement fund program.

Dr. Burns-Banks and Ms. Mary Rose Brown arrived at this time.

Mr. Griffin proceeded to report in detail on the work of the committee and stated that upon presentation from the four final vendors at a special-called Finance Committee meeting, the committee had decided, based on the importance of this project, to have the full board make the final decision.

Mr. Carmona outlined the Center's current retirement plans as follows:

- The 401(a) Plan is a non-contributory, defined contribution plan. Employees automatically become participants on the first day of the first plan quarter following completion of one year of service. The Center contributes 5% of an employee's pre-tax earnings. Investment of 401(a) funds are 100% trustee-directed. The plan currently has 667 participants enrolled. (current employees - 713)
- The 457(b) Plan – which is a deferred compensation plan is completely voluntary and funded solely by employee contributions. Vesting in the plan is immediate and investment of funds is 100% participant-directed. The plan currently has 117 (18%) participants enrolled.

The Center's current financial advisor is Merrill Lynch, which has been the Center's advisor since 1998.

Additionally, he reported that the board had approved, at their last board meeting, implementation of a plan to increase employee participation in the Center's 457 retirement plan. The plan would provide for an employer match of up to 3% per employee enrolled based on the availability of forfeiture funds from the 401(a).

Mr. Guevara provided further detail on the plans, adding that the Finance Committee makes a decision on the investment of 401(a) funds based on the recommendations of the financial advisory, currently Merrill Lynch.

Mr. Evans briefly talked about management's goal to keep the workforce energized and the different options that they looked at in order to do that, i.e., competitive salaries, easing the burden of costly health insurance, and assisting employees in re-investing in their future.

Mr. Magaro briefly informed the board on their fiduciary responsibilities as outlined in the hand-outs.

Ms. Martinez distributed and discussed in detail the comparative cost analysis and notes on the final investment advisor proposals. (Copies on file)

2. Presentation by Selected Responders to the Request for Proposal on Professional Investment Advisor Services for the Center's 401(a) and 457(b) Retirement Plans

The following professional investment advisors presented before the board:

- Merrill Lynch
 - Ed Powell, Bob Nelson, Dan Nelson, Steve Prickett
- Frost Bank
 - Mark Freeman
- Riverstone Wealth Management
 - Peter Tomassi, Carlos Resendez, Ted Burkhardt, Thomas Faught, Marissa Resendez
- Morgan Stanley
 - Carroll Jackson, Hunter Stanco

3. Discussion, Selection and Approval of a firm to be the Center's Vendor for Professional Investment Advisor Services for the Center's 401(a) and 457(b) Retirement Plans; and Authorization of the Executive Director-President/CEO to contract with Selected Vendor for Professional Investment Advisor Services under terms and conditions acceptable to the Center

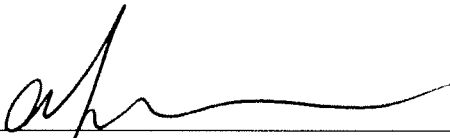
Upon conclusion of the presentations and further discussion by the board, Ms. Rebecca Brown moved that the Board of Trustees select Frost Bank as the Professional Investment Advisor for the Center's 401(a) and 457(b) Retirement Plans; and authorize the Executive Director-President/CEO to enter into contract negotiations with Frost Bank under terms and conditions acceptable to the Center for this service.

Mr. Williams seconded the motion; motion carried unanimously (7/0).

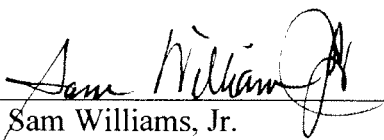
ADJOURNMENT

There being no further business to discuss, Dr. Burns-Banks moved for adjournment, Mr. Williams seconded the motion, and the meeting was adjourned at 8:40 p.m.

Passed and approved this 30th day of September, 2009.



Margaret M. Vera
Chairwoman



Sam Williams, Jr.
Secretary