

**Minutes of the City of Plano  
Risk Pool Trustees**

**December 10, 2007**

The Risk Pool Trustees met in regular session on December 10, 2007 at 3:35 p.m. in the City Manager's Conference Room of Plano Municipal Center.

Trustees present were Bruce Glasscock, Rod Hogan and Frank Turner.

City staff present was John McGrane, Finance Director, Victoria Huynh, Assistant City Attorney, Sydney Covey, Compensation Benefits Manager and Dee Dee Falls, administrative assistant to Executive Director Bruce Glasscock.

**1. Public Comments**

There were no public comments.

**2. Elect Risk Pool Trustee Chairperson and Vice Chair**

**Action:** Frank Turner motioned to elect Bruce Glasscock as chairman of the Risk Pool Trustees. Rod Hogan seconded the motion. The motion was unanimously approved and carried 3-0.

**Action:** Bruce Glasscock motioned to elect Rod Hogan as vice-chairman of the Risk Pool Trustees. Frank Turner seconded the motion. The motion was unanimously approved and carried 3-0.

**3. Consider and approve Risk Pool Trustees Bylaws and Meeting Procedures**

Assistant City Attorney Victoria Huynh recommended that the Risk Pool Trustee bylaws and meeting procedure be approved.

**Action:** Frank Turner motioned to accept these documents and Rod Hogan seconded the motion. The motion was unanimously approved and carried 3-0.

**4. Establish the Investment and Funding Policies for the Welfare Benefit Plan and Section 115 Trust**

The Investment Policy and the Funding Policy will become exhibits to the contract and will be sent to the bank for their review. They are critical to the scope of the contract because the bank's fees will be determined by the extent of their services. Brandon Riley, the consulting attorney for the City of Plano, said he would review the Investment Policy and draft a funding policy if requested by the Trustees.

**Action:** Frank Turner made a motion that the Investment Objectives and Policies be forwarded to the consulting attorney for review and inspection and that the attorney also draft a funding policy. Rod Hogan seconded. The motion was unanimously approved and carried 3-0.

A discussion was had on question of whether to transfer funds from the General Fund to the 115 Trust Fund at the beginning or end of the fiscal year. The funding policy and the investment policy are both exhibits in the agreement that will be presented to the bank. Victoria will not send the agreement until these policies are drafted, reviewed and finalized by the Trustees so the consulting attorney will need time to complete this.

In lieu of another meeting, the Trustees agreed to let the consulting attorney review the investment policy and draft the funding policy following the concept of the City funding the 115 Trust on an annual basis at the beginning of the fiscal year unless otherwise amended by the Plan Administrator.

**Action:** Frank Turner motioned to instruct the consulting attorney to review the investment policy, construct a funding policy and have them reviewed by the City's legal staff and the City's finance staff before being sent to the bank. Rod Hogan seconded this motion. The motion was unanimously approved and carried 3-0.

**5. Evaluate and recommend third-party providers for institutional trustee and investment management services**

John McGrane explained how the two banks were selected for both the institutional trustee and for services for the investment advisor. Based on the process John McGrane recommended that Wells Fargo be the institutional trustee and Frost be the investment manager.

**Action:** Rod Hogan made a motion to accept the finance director's recommendation of Wells Fargo and Frost Bank to act as institutional trustee and investment manager respectively and to forward this recommendation to City Council. Frank Turner seconded the motion. The motion was unanimously approved and carried 3-0.

**6. Consider and approve the City's revisions to the City of Plano Section 115 Trust agreement**

Rod Hogan made a motion to accept the latest version of the Section 115 Trust agreement with revisions as proposed by the City Attorney and the consulting attorney.

**Action:** Frank Turner seconded the motion. The motion was unanimously approved and carried 3-0.

**7. Consider and approve the City's revisions to the Investment Management Agreement**

There were some procedural changes to this agreement and the city attorney's office had an earlier conference call with the consulting attorney to respond to some basic question so the consulting attorney could complete the document. One question was how often to report and John McGrane suggested quarterly meetings. The investment manager is supposed to appear before the trustees to make their report instead of sending the report in. There is a provision requiring an audit to be filed with the Texas Department of Insurance on an

annual basis and this report is to be sent in within 6 months of the end of the fiscal year. By June of 2008 there needs to be an RFP sent out for an external audit. This will be done by the Finance Department.

**Action:** Rod Hogan made a motion to approve the City's revisions to the Investment Management Agreement. Frank Turner seconded the motion. The motion was unanimously approved and carried 3-0.

**8. Discussion and Decision on Errors and Omissions Insurance**

John McGrane advised that Risk Manager Joey Page needed further definition on the magnitude and the limits of this insurance. John will provide the information and bring back a recommendation at the next meeting.

**9. Items for future discussion/action on future agendas**

Rod Hogan asked about whether the trustees needed to be bonded and John McGrane said that as long as the trustees were not handling any money it was not needed. This issue will be addressed at a future meeting. Another future item as mentioned by John McGrane is that it is time for the new actuarial study and there will be a written recommendation from Finance regarding that.

**10. Adjournment**

Meeting adjourned at 4:01 pm

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Bruce Glasscock  
Chairman, Risk Pool Trustees