



# MINUTES

Retiree Health Trust Fund Board  
City and County of San Francisco  
30 Van Ness Avenue, Suite 3000  
San Francisco, CA 94102

## Regular Meeting

Monday, April 25, 2011

3:00 PM

Suite 3000  
30 Van Ness Avenue  
San Francisco, California 94103

Call to order

Pledge of Allegiance

Roll call:

Carol Cypert	3:00 PM
Connie Hiatt	3:00 PM
Leo Levenson	3:10 PM
Pauline Marx	3:00 PM
Edward Walsh	3:00 PM

04252011-01      Action item      [Approval of the Minutes of the January 24, 2011 Board Meeting](#)

Moved by Commissioner Hiatt, Seconded by Commissioner Cypert to Approve the Minutes of the January 24, 2011 Board Meeting.  
Approved by the Following Vote:  
Ayes: Cypert, Hiatt, Marx, Walsh  
Absent: Levenson

04252011-02      Discussion item      [Report on Current Funding Status of RHCTF](#)

Commissioner Levenson provided an oral and written

report on this item.

Commissioner Levenson summarized the contribution of history of the Retiree Health Care Trust Fund as of the pay period ending April 1, 2011.

Commissioner Levenson also presented a report on the Retiree Health Care Trust Fund budget and expenditures in FY 2010-11.

Erik Rapoport, Deputy City Attorney, confirmed that the initial General Fund project allocation (\$1 million) is under the discretion of the Controller. The Board's election and other start-up expenses were paid from the initial project allocation. The GASB 45 Actuarial Study will be paid out of the initial General Fund project budget.

Commissioner Levenson noted that not all expenses, including City Attorney costs and administrative support costs, have been billed to the Retiree Health Care Trust Fund budget

The Board engaged in a question and answer session. This was a discussion only item.

□ 04252011-03 Discussion item [Report on Current Investment Status of RHCTF](#)

Commissioner Marx provided an oral and written report on this item.

Commissioner Marx confirmed that the Trust Fund's assets are currently in a pooled asset account managed by the Treasurer's Office. While the RHCTF are not specifically ear-marked, a break down of the pooled asset account can be generated from the City's FAMOUS accounting system.

Ms. Marx noted that this was a short-term investment account, with an average duration of one to three years.

Commissioners Cypert and Hiatt recommended that an MOU be developed with the Treasurer's Office to delineate their fiduciary and administrative responsibilities.

The Board engaged in a question and answer session. This was a discussion only item.

- 04252011-04 Action [Discussion and approval of 2011-2012 RHCTF Budget,](#)
- Commissioner Levenson provided an oral and written report on this item.
- Commissioner presented the proposed Retiree Health Care Trust Fund budget for FY 2011-12.
- Commissioner Levenson noted that the proposed budget allowed for the retention of Investment Manager(s) and Custodian expenses.
- The Board engaged in a question and answer session.
- The Board discussed election expenses in the event of a special election to fill a vacancy, and noted that the budget could be amended at that time.
- The Board recommended that \$10,000 be added to the budget to cover any potential expenses for investment manager or custodial expenses.
- In response to a question from Commissioner Cypert, Commissioner Levenson noted that the costs related to creating a web site can be carried forward from the current year's budget.
- Moved by Commissioner Hiatt, Seconded by Commissioner Cypert to Approve the Retiree Health Care Trust Fund budget for FY 2011-12 as amended. Approved by the Following Vote:  
Ayes: Cypert, Hiatt, Levenson, Marx, Walsh
- 04252011-05 Discussion item [Discussion regarding the Retiree Health Benefits Fund administered by the Controller and payment of the City's GASB 45 Actuarial expenses.](#)
- Erik Rapoport, Deputy City Attorney, provided a written and oral report on this item.
- Mr. Rapoport provided copies of Ordinance 197-07 relating to the establishment of the Retiree Health Benefits Fund. The GASB 45 Actuarial Study will be paid out of the initial General Fund project budget.
- The Board engaged in a question and answer session.
- This was a discussion only item.
- 04252011-06 Action [Discussion and possible action regarding segregation of RHCTF assets, including the possibility of instructing the Trust Fund Custodian to set up a separate custodial account.](#)

Erik Rapoport, Deputy City Attorney, provided a written and oral report on this item.

Commissioner Marx reported that the Treasurer receives the employee contributions to the Retiree, although they are not currently maintained in a separate account Health Care Trust.

Commissioner Cypert recommended the establishment of a segregated custodial account within the Treasurer's Office pooled account, and the development of an Investment Policy Statement by the Board.

Commissioner Marx noted that a segregated custodial account would operate outside of the City's pooled account, and could possibly require a separate custodial account.

Commissioners Hiatt, Cypert and Marx reviewed the Treasurer's current investment guidelines for the City's short-term investment accounts, including the assets of the RHCTF.

Commissioner Walsh discussed the Board's investment time line and noted the Trust Fund's assets would be available to meet the City's retiree medical expenses requirements as early as January, 2015.

Mr. Rapoport noted that the Treasurer does not currently maintain separate custodial accounts for the Retirement and Health Services trusts.

The Board continued this item to their next meeting and directed Mr. Rapoport to explore with the Treasurer's Office the option of establishing a segregated custodial account, and accompanying trust fund document if required, for the RHCTF within the existing pooled fund. Mr. Rapoport will report back at the next RHCTF Board meeting on separate account options available to the Board.

Commissioner Hiatt also recommended that the Board consider educational presentations of the role of investment managers at a future meeting.

Norm Nickens, Executive Assistant, noted that a list of educational opportunities was provided to the Board in their packet.

Mr. Nickens and Commissioner Levenson will provide staff support to assist any Board members with Board related travel (registration, transportation and lodging).

Mr. Rapoport recommended that the Board consider

scheduling an actuarial presentation related to the RHCTF. Mercer will be contacted regarding a possible presentation at the next Board meeting.

- 04252011-07 Discussion Review of the revised participant count of the Retiree Health Care Trust provided by the Office of the Controller (include a break down of the 1% and 2% contributions to date, the number of participants and, total dollar amount for each group).  
Commissioner Levenson provided an oral and written report on this item.  
The Board engaged in a question and answer session.  
This was a discussion only item.
  
- 04252011-08 Action item Opportunity to place items on future Board agendas  
The Board requested Mr. Nickens to poll the Board regarding possibly moving the date of the next Board meeting.
  
- 04252011-09 Discussion item Opportunity for the public to comment on any matters within the Board's jurisdiction  
There were no comments from the public.
  
- **Adjourn** Adjourned at 4:25, the next Board meeting is Monday, July 25 at 3:00 PM (tentative).

## **Summary of Retiree Health Trust Fund Board Policy Regarding Public Comment**

- Speakers are urged to fill out a speaker card in advance, but may remain anonymous if so desired.
- A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item.
- A member may comment on any matter within the Board's jurisdiction at the designated time at the end of the meeting. Call Norm Nickens, Executive Assistant, for further assistance at (415) 487-7025.

## **Disability Access**

The meeting will be held at 30 Van Ness Avenue, Suite 3000. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call (415) 923-6142. There is accessible parking in the vicinity of City Hall at Civic Center Plaza adjacent to Davies Hall and the War Memorial Complex.

Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

The following services are available upon request:

- American Sign Language interpreters will be available upon request.
- A sound enhancement system will be available upon request at the meeting.
- Minutes of the meeting or hearing are available in alternative formats.

If you require the use of any of these services, please contact Norm Nickens, Executive Assistant at (415) 487-7025 or by email at [norm.nickens@sfgov.org](mailto:norm.nickens@sfgov.org) at least 72 hours prior to the meeting.

In order to assist the City's effort to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

## **Knowing Your Rights Under the Sunshine Ordinance**

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact Adele Destro by mail to Interim Administrator, Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94103-4689; by phone at (415) 554-7724; by fax at (415) 554-7854; or by email at [sotf@sfgov.org](mailto:sotf@sfgov.org).

Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Ms. Destro or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, <http://www.sfgov.org/sunshine/>

## **Lobbyist Registration and Reporting Requirements**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign &

Governmental Conduct Code § 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 252-3100; fax (415) 252-3112; web site [www.sfgov.org/ethics](http://www.sfgov.org/ethics).

### **Summary of Retiree Health Trust Fund Board Policies Regarding Cell Phones and Pagers**

- The ringing and use of cell phones, pagers and similar sound-producing electronic devices is prohibited at Health Service Board meetings and its committee meetings.
- The chair of the meeting may order the removal from the meeting room of any person(s) in violation of this rule.
- The chair of the meeting may allow an expelled person to return to the meeting following an agreement to comply with this rule.