



MINUTES

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

Regular Meeting

Tuesday, May 22, 2012

3:00 PM

Suite 3000
30 Van Ness Avenue
San Francisco, California 94103

Call to order

Pledge of Allegiance

Roll call:

Connie Hiatt	Absent
Carol Cypert	3:00 pm
Pauline Marx	3:00 pm
Leo Levenson	3:00 pm
Edward Walsh	3:00 pm

05222012-01 Action item [Approval of the Minutes of the January 23, 2012 Board Meeting.](#)

Documents provided to the Board prior to the meeting:
Draft Minutes

Public comments: None

Moved by Commissioner Marx, seconded by
Commissioner Walsh to Approve the Minutes of the
January 23, 2012, Board Meeting.

Approved by the Following Vote:

Ayes: Cypert, Levenson, Marx, Walsh

- 05222012-02 Discussion item [Report on the Current Funding Status of RHCTF](#)

Documents provided to the Board prior to the meeting:
Current Funding Status Report and Supporting Data

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

The Board engaged in a question and answer session.

Public comments: None

This was a discussion only item.

- 05222012-03 Discussion item [Report on Current Investment Status of RHCTF](#)

Documents provided to the Board prior to the meeting:
Investment Report from Treasurer’s Office for April 2012

Commissioner Marx provided an oral and written report on the current investment status.

The Board engaged in a question and answer session.

Public comments: None

This was a discussion only item.

- 05222012-04 Action item [Approval of the Budget for FY12-13](#)

Documents provided to the Board prior to the meeting:
Budget Report for FY12-13

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

The Board engaged in a question and answer session.

Public comments: None

Moved by Commissioner Levenson to Adopt the Budget as shown in the columns as of May 16, 2012, for FY12-13 forecast and FY13-14 forecast with the following changes for the line item for Investment Manager and Custodian expenses: \$125K for FY12-13 and \$175K for FY13-14; that the line item for Retirement Board Administrative support is increased to \$12.5K for FY12-13 and FY13-14; that we increase the Education/Training line to \$20K in FY12-13 and FY13-14; and we eliminate the website line; and, other lines for external audits, City Attorney, Board Election remain the same as they were; and totals are adjusted accordingly, seconded by Commissioner Walsh

Approved by the Following Vote:
Ayes: Cypert, Levenson, Marx, Walsh

- 05222012-05 Action item [Discussion and Possible Action regarding Hiring a Trust Fund adviser, including review of Draft Request for Proposals \(RFP\) to Retain a Financial Advisor and formation of RFP Selection Committee](#)

Documents provided to the Board prior to the meeting:
Draft Request for Proposals (RFP)

Commissioners Cypert and Marx provided an oral and written report on this item. They worked with Erik Rapoport to come up with this draft RFP. They were open to revisions so revisions were discussed. A new timeline was set.

A subcommittee was created of Commissioner's Marx, Cypert and Walsh. There was discussion on how the subcommittee could meet in accordance with the Brown Act and questions regarding how other Committees might have produced RFPs while adhering to the Brown Act.

The Board engaged in a question and answer session.

Public comments: None

Motioned by Commissioner Levenson for the subcommittee to make alterations to the draft RFP as needed prior to issuance and to issue the RFP, seconded by Commissioner Walsh

Approved by the Following Vote:
Ayes: Cypert, Levenson, Marx, Walsh

- 05222012-06 Action item [Review and Approve the RHCTFB Draft Education and Travel Policy](#)

Documents provided to the Board prior to the meeting:
Draft Education and Travel Policy

Erik Rapoport, Deputy City Attorney, made a written and oral presentation on the Draft Board Education and Travel Policy. It is based on the San Francisco Retirement System's policy and it incorporates the Controller's Office Business Travel Reimbursement Guidelines. Mr. Rapoport noted that we can continue to add to areas such as Appendix 2 and Appendix 3.

The Board then reviewed and suggested minor changes.

Public comments: None

Motioned by Commissioner Levenson to adopt with edits discussed, including striking line 7 (c) and

renumbering and other non-substantive edits as desired by staff, seconded by Commissioner Walsh

Approved by the Following Vote:

Ayes: Cypert, Levenson, Marx, Walsh

- 05222012-07 Action item

[Review and Approve the Educational Expenses of Board Members](#)

Documents provided to the Board prior to the meeting:
Education and Travel Expense Spreadsheet May 2012

Rosanne Torre, Board Secretary, asked for approval of payment on educational expenses of Board Members.

Commissioner Levenson motioned to approve payment of the education expenses, seconded by Commissioner Walsh

Approved by the Following Vote:

Ayes: Cypert, Levenson, Marx, Walsh

Public comments: None

- 05222012-08 Discussion item

[Report on the Principles of Pension Management Course for Trustees Sponsored by CALAPRS](#)

Documents provided to the Board prior to the meeting:
RHCTFB Conference Attendance Reports.

Commissioners Marx and Walsh reported that the course is worthwhile with a lot of great information and interesting speakers, and that the vast majority of the workshops are useful. There was a discussion on the possibility of surveying other stand alone systems to find out what their best practices are. Norm Nickens offered to solicit the CALAPRS community to find other retiree health care trust funds such as this one.

Public comments: None

Action: This was a discussion only item.

- 05222012-09 Discussion item [Review of Proposed RHCTFB Website](#)

Documents provided to the Board prior to the meeting:
Draft website.

Rosanne Torre reported that the RHCTFB website is now up and running.

Public comments: None

Action: This is a discussion only item.

- 05222012-10 Action item [Discussion and possible action regarding adoption of RHCTF governance policies.](#)

Documents provided to the Board prior to the meeting:

Commissioner Marx handed out the *SFERS Governance Manual; Schedule of Policy Adoption and Amendment Dates; Updated August 5, 2010.*

Commissioner Marx reported that when she and Commissioner Walsh were at the CALAPRS course there was a lot of discussion on fiduciary roles and governance policies. She suggested that the governance policies be set up. She also recommended that Board staff analyze the *SFERS Board Policy Manual* to determine which policies are relevant to the governance of the RHCTF and following that review the Board staff draft a set of proposed governance documents for Board consideration. Erik Rapoport suggested he take this on.

Public comments: None

Commissioner Marx motioned that the RHCTFB request staff to analyze the *SFERS Governance Manual* to determine which policies are relevant to the governance of the RHCTF and following that review staff draft a set of proposed governance documents to be considered at the next Board meeting, seconded by Commissioner Walsh

Approved by the Following Vote:

Ayes: Cypert, Levenson, Marx, Walsh

- 05222012-11 Action item Opportunity to place items on future Board agendas
Documents provided to the Board prior to meeting:
None
 1. The usual reports from Commissioner's Levenson and Marx. Commissioner Levenson to bring the percentage of employees covered.
 2. Commissioner Levenson noted that the Controller's Office has negotiated the new contract for actuarial studies of the retiree health care obligations with Cheiron. Cheiron is scheduled to produce a draft report in August. He suggested that we try to schedule their presentation to the Board to coincide during the time they are scheduled to be here in San Francisco. Rosanne Torre will work on scheduling Cheiron to present at the next meeting.
 3. Erik Rapoport will bring draft governance policies to review.
 4. Norm Nickens to solicit CALAPRS for information on other stand alone retiree health care trust fund entities.Public comments: None

- 05222012-12 Discussion item Opportunity for the public to comment on any matters within the Board's jurisdiction
Public comments: None

- Adjournment: There being no further business, the Board adjourned its meeting at 4:34 pm.