



MINUTES

RETIREE HEALTH TRUST FUND BOARD

CITY AND COUNTY OF SAN FRANCISCO

30 Van Ness Avenue, Suite 3000
San Francisco, CA 94102

MEETING
MONDAY OCTOBER 19, 2009
8:30 AM

RETIREE HEALTH TRUST FUND BOARD MEMBERS

Jose Cisneros
Carol Cypert
Clare Murphy
Benjamin Rosenfield
Edward Walsh

Pledge of Allegiance

Roll Call:

Jose Cisneros	8:30
Carol Cypert	8:30
Clare Murphy	8:30
Benjamin Rosenfield	8:30
Edward Walsh	8:30

REGULAR CALENDAR

1. **Approval of the Minutes of the September 21, 2009 Board Meeting**

Moved by Commissioner Rosenfield, seconded by Commissioner Walsh to Approve the Minutes of the September 21, 2009 Board meeting as amended.

Action: Approved by the following vote:

Ayes: Cisneros, Cypert, Murphy, Rosenfield, Walsh

2. **Discussion of Government Accounting Standards Board (GASB) 45/Trust Reporting Requirements, including possible action regarding retention of an actuary to provide the City and County of San Francisco with an updated GASB 45 report.**

Clare Murphy, President, presented an oral report on this item.

Ben Rosenfield reported that the Controller's Office will conduct the RFP process for the actuary who will conduct the required study. Regular updates on the selection process and criteria will be provided to the Board. The GASB 45 study is an obligation of the employer, although the cost of the study will be provided by the Trust.

The Board engaged in a question and answer session.

In response to a question from Commissioner Cypert, Commissioner noted that the employer could conduct the study on an annual or biannual basis. Current plans are to conduct the study on a biannual basis. Commissioner Rosenfield noted that the legislative history of the Charter amendment creating the trust anticipated that the cost of the study would be borne by the trust.

Erik Rapoport noted that the Charter language supported the employer conducting the study on behalf of the Trust.

In response to a question from Commissioner Walsh, Mr. Rapoport noted that separate trusts would be required if the School District or the Community College District were to join as participating employers.

Commissioner Rosenfield noted that no formal action was required by the Board to initiate the RFP process.

This was a discussion only item.

2. Discussion of Process for the Selection of Outside Counsel

Erik Rapoport, Deputy City Attorney, presented an oral report on this item.

Mr. Rapoport reported that he has received cost estimates ranging from \$3,500 - \$32,000 to draft the required IRS compliant Trust documents. The Office of the City Attorney has not yet selected a firm to conduct the work.

The Board engaged in a question and answer session.

In response to a question from Commissioner Cypert, Mr. Rapoport noted that the selection criteria is primarily based on the ability to draft the required trust documents, although additional consideration is being given to firms that could also serve a fiduciary counsel to the Board in the future. Information on the ability of the firms to provide investment counsel advice will also be sought.

Commissioner Murphy noted that the trust assets are currently being managed by the Treasurer, and fall under the investment policies of the Treasurer.

Ms. Murphy noted the potential impact of proposed healthcare reform legislation, and noted that information on the ability of the firms to provide advice in that area might also be sought.

Mr. Rapoport noted that the selection of the firm would be made by the City Attorney's Office. Ms. Murphy noted that the Retirement Board engages in a joint RFP process with the City Attorney's Office to select a pool of potential outside counsel; however the ultimate selection of outside counsel is determined by the City Attorney.

Commissioner Cisneros noted that the Board could place limits on the expense of trust fund monies for legal expenses through its budget process. Commissioner Rosenfield noted that the budget was also subject to review by the Board of Supervisors and the Mayor's Office.

Mr. Rosenfield noted that a report on the selection process and a recommended finalist be presented at the next Board meeting. Ms. Murphy recommended that the firms be provided with copies of appropriate Charter sections describing the responsibilities of the Board.

December 7, 2009 was established as the next meeting date for the Board. Ms. Murphy requested that a first FY quarter report showing contribution flows into the Retiree Health Trust Fund be provided by the Controller's Office.

This was a discussion only item.

3. Adjournment

There being no further business, the Board adjourned its meeting at 9:17.

Respectfully submitted,

Clare M. Murphy
President, Retiree Health Care Trust Fund Board