



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

Monday, January 23, 2012

3:00 PM

Suite 3000
30 Van Ness Avenue
San Francisco, California 94103

Call to order

Pledge of Allegiance

Roll call:

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

01232012-01 Action item [Approval of the Minutes of the November 7, 2011 Board Meeting](#)

Documents provided to Board prior to meeting: Draft Minutes

Moved by Commissioner Levenson, seconded by Commissioner Walsh to Approve the Minutes of the November 7, 2011 Board Meeting.

Approved by the following vote:

Ayes: Cypert Hiatt, Levenson, Marx, Walsh

01232012-02 Discussion item [Report on Current Funding Status of RHCTF](#)

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

Commissioner Levenson distributed the Retiree Health Trust Fund Status and Budget Report as of 01/20/12.

Commissioner Levenson reported that FY2010-11 ending balance was \$8.5M. As of today there is \$12.95M in the trust fund. Conservative projections through the end of the fiscal year is \$18.2M after expenses and for FY2012-13, using a ten percent (10%) increase, it is forecasted to be \$29M. In terms of actual expenditures, nothing has been charged to the fund yet this year. There were no legal expenses this year. The budget for next year will need to be formally adopted at the next meeting.

Commissioner Cypert had travel approved at the last board meeting and inquired on reimbursement. It was suggested she forward her information to Rosanne Torre of the Controller's Office.

Commissioner Levenson noted that there continues to be a budget of \$10K for education and training for this year that Commissioner Cypert's reimbursement will be taken from. Unused budget amounts will be carried forward.

The Board engaged in a question and answer session.

This was a discussion only item.

- 01232012-03 Discussion item

Report on Current Investment Status of RHCTF

Documents provided to Board prior to meeting: Investment Report for the Month of December 2011.

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

Commissioner Marx reported on the investment types, maturities and earnings of the trust fund.

The Board engaged in a question and answer session.

This was a discussion only item.

- 01232012-04 Discussion item

Annual Statement of Economic Interest

Documents provided to the Board prior to meeting: Statement of Economic Interest (Form 700), Certificate of Ethics Training and Sunshine Ordinance Declaration.

Norm Nickens, Executive Assistant, presented the documents that are due to the San Francisco Ethics Commission. He recommended that the Board turn in their documents to Rosanne Torre by March 15, 2012. He instructed that Sunshine Ordinance and Ethics trainings could be taken on the City Attorney's website.

This was a discussion only item.

- 01232012-05 Action item

Discussion and possible action regarding hiring a Trust Fund Administrator/Board Secretary.

Documents provided to Board prior to the meeting: none

Rosanne Torre from the Controller's Office was introduced

as the possible new Board Secretary.

There was discussion about the work order for the Board Secretary duties. Commissioner Hiatt said she or the Vice Chair would be able to sign the work order or she as president could delegate any board member to sign it.

There was discussion about setting up a website and whether it should be created by the Department of Technology or could be a page on the Controller's Office website. Commissioner Levenson said it should be much simpler to keep it a page on the Controller's website.

Moved by Commissioner Hiatt, seconded by Commissioner Marx to accept Rosanne Torre as the new Board Secretary to provide administrative support.

Approved by the following vote:

Ayes: Cypert Hiatt, Marx, Walsh

Recused from vote: Levenson since he also works for the Controller's Office.

□ 01232012-06 Discussion item [Accept FY 2010-11 audit of Retiree Health Care Trust Fund](#)

Documents provided to Board prior to meeting:
Comprehensive Annual Financial Report (CAFR), pages 196-198.

Commissioner Levenson gave an oral and written report. Commissioner Levenson reported that this section of the Retiree Health Care Trust Fund was able to be included in the audit. It is a standard standing section of the FY2011 CAFR on fiduciary funds and was included in the CAFR for the first time. There was discussion regarding the difference in interest and he noted that there may be a budgetary view and a GAAP view which reflects the difference in accrued interest.

As part of their scope of work Macias Gini, the auditors, are testing the entire financial systems of the City and this report represents that for the trust fund.

Commissioner Cypert asked why the net assets at the beginning of the year are showing as zero. Commissioner Levenson replied that the trust did not formally exist as a trust until the middle of the year. The contributions would be reflected year to year in the CAFR and although they were accounting for the deposits in the trust by the employees, they were not reflected at the end of last year as a trust fund in our CAFR. The City's financial statements reflect year to year and so the contributions reflect year to year.

Action: Moved by Commissioner Cypert, seconded by Commissioner Walsh to accept the FY2010-11 audit of the Retiree Health Care Trust Fund.

Approved by the following vote:

Ayes: Cypert Hiatt, Levenson, Marx, Walsh

This was a discussion item only.

- 01232012-07 Action item Review of draft Request for Information (RFI) or Request for Proposals (RFP) to retain a financial advisor

Documents provided to Board prior to meeting: None

The Board engaged in a question and answer session.

It was decided that Commissioner Cypert and Commissioner Marx would work on a draft RFI/RFP and bring it to the next meet for review.

Public comments: None

Action: No action taken.

- 01232012-08 Discussion item Discussion regarding impact of 2011 Proposition C on the RHCTFB

Documents provided to Board prior to meeting: None

Erik Rapoport, Deputy City Attorney, gave an oral report on the passage of 2011 Proposition C and how it amended City Charter Section A8.432 in regards to the RHCTFB.

Action: This was a discussion only item.

- 01232012-09 Action item Opportunity to place items on future Board agendas

Documents provided to Board prior to meeting: None

Action Items for the next Board Meeting:

Commissioners Cypert and Marx will bring in a draft Request for Proposals (RFP) for a financial advisor for Board review.

Leo Levenson and Rosanne Torre will work on scheduling Cheiron to make a presentation.

Rosanne Torre will bring in a webpage for review.

Erik Rapoport and Rosanne Torre will work on the Educational Policy.

The Board to review and approve retroactively educational trainings, books, travel, and meals costs.

Leo Levenson will present FY12-13 budget for approval.

- 01232012-10 Discussion item Opportunity for the public to comment on any matters within the Board's jurisdiction

There were no public comments.

This was a discussion only item.

- Adjournment: There being no further business, the Board adjourned its meeting at 4:15 pm.