



DRAFT 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, September 4, 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

09042012-01

Action item

Annual Election of President and Vice-President

Election of President, moved by Commissioner Walsh, seconded by Commissioner Levenson to elect Commissioner Cypert as President for FY12-13.

Approved by the Following Vote:

Ayes: Cypert, Hiatt, Levenson, Marx, Walsh

Election of Vice President, moved by Commissioner Cypert, seconded by Commissioner Levenson to elect Commissioner Marx as Vice-President for FY12-13.

Approved by the Following Vote:

Ayes: Cypert, Hiatt, Levenson, Marx, Walsh

- 09042012-02 Action item [Approval of the Minutes of the May 22, 2012, Board Meeting](#)
- Documents provided to the Board prior to the meeting:
Draft Minutes
- Moved by Commissioner Walsh, seconded by Commissioner Marx to approve the minutes of the May 22, 2012, Board Meeting.
- Approved by the Following Vote:
Ayes: Cypert, Levenson, Marx, Walsh
- 09042012-03 Discussion item [Report on Current Funding Status of RHCTF](#)
- Documents provided to the Board prior to the meeting:
Retiree Health Trust Fund Budget and Actuals as of 8/29/12.
- Commissioner Levenson provided an oral and written report on this item.
- The Board engaged in a question and answer session.
- Commissioner Levenson will include the administration expenses in the Current Funding Status report at the next meeting.
- This was a discussion only item.
- 09042012-04 Discussion item [Report on Current Investment Status of RHCTF](#)
- Commissioner Marx provided an oral and written report on this item.
- Documents provided to the Board prior to the meeting:
Investment Report for the month of July 2012.
- This was a discussion only item.
- 09042012-05 Discussion item [Report by Matt Hansen, on Fiduciary Insurance Coverage for Directors and Officers](#)
- Documents provided to the Board at the meeting:
Directors & Officers Liability Discussion with the Retiree Health Care Trust Fund Board presentation, September 4, 2012.
- Matt Hansen, Director of the Risk Management Division in the City Administrator's Office, made a presentation on directors' and officers' and public officials' liability insurance. He included brief information on self-insurance and commercial insurance. His presentation was to start the discussion on insurance coverage.
- The Board had a question and answer session. Erik Rapoport stated that this is the start of the dialogue

regarding what types of insurance might be needed, what the cost is, as well as what is covered by the City under Government Code Section 825. He will come back with more specifics as to what the legal requirements are in terms of the City legally defending and indemnifying the Board members as well as self-insurance.

This was a discussion only item.

- 09042012-06 Discussion item

Report by Cheiron, Inc., on the Governmental Accounting Standards Board (GASB) Statement 45 regarding accounting and reporting standards for post-employment benefits other than pensions offered by state and local governments

Documents provided to Board at the meeting:
Funding and Accounting for Retiree Health Obligations presentation, September 4, 2012.

William Hallmark, ASA with Cheiron, presented to the Board. Mr. Hallmark gave a general overview of the actuarial valuation process and presented on the way they fund for the paying for retiree health benefits. He also presented on the accounting for the retiree health benefits which is the majority of the work being done right now.

The Board engaged in a question and answer session during the presentation.

This was a discussion only item.

- 09042012-07 Action item

Discussion and Possible Action regarding Draft Request for Proposals (RFP) to retain a Financial Advisor and RFP selection committee

Documents provided to the Board prior to the meeting:
None

Erik Rapoport, Deputy City Attorney, provided an oral report on this item. Mr. Rapoport discussed 2 items:
1) Currently, the RFP is drafted to retain an investment advisor and an investment manager. This brings up possible conflict of interest issues. He suggested there be one RFP for an investment advisor and another RFP for an investment manager. There was discussion that the same consultant should not be hired for both RFPs.
2) There may be Brown Act conflict of interest issues due to the composition of the RFP subcommittee. There was discussion to have 2 Board members and 1 non Board member on the selection committee to avoid any possible conflict of interest.

The Board engaged in a question and answer session.

There were two motions: First, Commissioner Walsh motioned that the RFP be split into two RFPs for

separate consultants. The first RFP will be for an investment advisor and the second RFP will be for the investment manager. The motion was seconded by Commissioner Cypert.

Ayes: Cypert, Hiatt, Levenson, Marx, Walsh

The second Motion was by Commissioner Cypert that two members of the RHCTFB are identified and a selection of a non member outside of the Board be identified at the next meeting for the RFP covering the investment advisor. This was seconded by Commissioner Marx.

Ayes: Cypert, Hiatt, Levenson, Marx, Walsh

- | | | | |
|---|-------------|-------------|--|
| □ | 09042012-08 | Action item | <p>Discussion and possible action regarding adoption of RHCTF governance policies</p> <p>Documents provided to Board prior to meeting:
<i>SFERS Governance Manual (Schedule of Policy Adoption and Amendment Dates)</i></p> <p>Mr. Rapoport reported on this item. He reviewed the <i>SFERS Governance Manual Schedule of Policy Adoption and Amendment Dates</i> and noted which governance policies were applicable to the RHCTFB and which governance policies were already done for this Board. He will work on the applicable governance policies over time.</p> <p>The Board engaged in a brief question and answer session.</p> |
| □ | 09042012-09 | Action item | <p>Opportunity to place items on future Board agendas</p> <ol style="list-style-type: none">1. Commissioner Levenson to report on administrative expenses for FY11-12 and FY12-13 with a retroactive work order for administrative support expenses for FY11-12 to be signed by the Board President.2. Request that the Health Service System make a presentation to the Board on the new rates effective January 1, 2013.3. Mr. Rapoport to bring in more information on liability and/or self-insurance as well as information on the City indemnifying and legally defending Board members. Mr. Hanson to return and report at a future meeting.4. Best practices survey to be done. Questions are to be posted on a website for the |

community to answer.

Public comments: None

- 09042012-10 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 4:56 pm.