



# Retiree Health Care Trust Fund Board

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## BOARD MEETING MINUTES

### Regular Meeting

Friday, July 24, 2015

9:30 a.m.

City and County of San Francisco  
SFERS Office – 1145 Market Street, 6<sup>th</sup> Floor Conference Room  
San Francisco, CA 94103

#### **RETIREE HEALTH CARE TRUST FUND BOARD MEMBERS**

*President*

**Pauline Marx**

*Vice President*

**Ed Walsh**

*Members*

**Leo Levenson**

**Clare Murphy**

**David Salem**

## **Disability Access**

The meeting will be held at SFERS Office, 1155 Market Street, 6<sup>th</sup> floor, San Francisco, CA 94102. The Retiree Health Care Trust Fund Board Meeting Room is wheelchair accessible. Accessible seating is available for persons with disabilities or wheelchairs. 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 are available in alternative formats.

If you require the use of any of these services, contact Maura Lane, Board Secretary, at (415) 554-7502 or by email at [maura.lane@sfgov.org](mailto:maura.lane@sfgov.org) at least two (2) business days before the meeting.

The closest accessible BART Station is Civic Center, three blocks from City Hall. Use the Market and 8<sup>th</sup> Street exit. Accessible MUNI lines serving this location are: 5, 9, 9L, 19, 47 and the F Line to Market and 8th and the Metro stations 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.

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.

## **Summary of Retiree Health Care 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 of the public may comment on any matter within the Board's jurisdiction at the designated time at the end of the meeting. Call Maura Lane, Board Secretary, for further assistance at (415) 554-7502 or email at [maura.lane@sfgov.org](mailto:maura.lane@sfgov.org).

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

The ringing and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. 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.

## **Knowing Your Rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)**

Government's duty is to serve the public; reaching its decisions 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:

Sunshine Ordinance Task Force  
City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco CA 94103-4689  
(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 The Sunshine Ordinance Task Force or by printing Chapter 67 of the San Francisco Administrative Code located on the Internet at <http://www.sfgov.org/sunshine/>. To review or obtain meeting documents covered under the Sunshine Ordinance contact Maura Lane, Board Secretary, City Hall, Room 316, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102; telephone (415) 554-7502; or send email with your request to [maura.lane@sfgov.org](mailto:maura.lane@sfgov.org).

## **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; or web site [www.sfgov.org/ethics](http://www.sfgov.org/ethics).

# CALENDAR

- Call to Order                      President Marx called the meeting to order at 9:15 a.m.
- Roll Call:                            **Commissioner Leo Levenson - absent**  
**Commissioner Pauline Marx**  
**Commissioner Clare Murphy**  
**Commissioner David Salem**  
**Commissioner Ed Walsh**
  
- 07242015-01                      Action Item                      **Approval of the Minutes of the May 19, 2015 Board Meeting.**  
  
Documents provided to Board prior to meeting:  
Draft Minutes of the May 19, 2015 Board Meeting  
  
Moved by Commissioner Walsh and seconded by Commissioner Murphy to approve the minutes of the May 19, 2015 Board meeting as presented.  
  
President Marx called for public comment. There was no public comment.  
  
Approved by the following vote:  
Ayes: Marx, Murphy, Salem and Walsh  
Absent: Levenson
  
- 07242015-02                      Discussion item                      **Report on current funding status (budget) of RHCTF.**  
  
Documents provided to Board prior to meeting:  
RHCTF Status and Budget as of June 30, 2015  
  
Devin Macaulay, of the Controller's Office, presented the report. There was discussion regarding an update about the Community College contribution. The percentage of budgeted salaries was also clarified.  
  
President Marx called for public comment. There was no public comment.
  
- 07242015-03                      Discussion item                      **Report on current investment status of RHCTF.**  
  
Documents provided to Board prior to meeting:  
Office of the Treasurer & Tax Collector's Investment Report for May 2015  
  
The Office of the Treasurer/Tax Collector provided a written report.

President Marx called for public comment. There was no public comment.

- 07242015-04                      Action Item

**Review and approve Master Custody Agreement with Northern Trust; Grantor Trust Agreement with Northern Trust Investments, Inc. (NTI); Subordinate Trust Agreement with BlackRock Institutional Trust Company, N.A., and Northern Trust Institutional Funds Direction Form**

Documents provided to Board prior to meeting:

- (1) Memorandum from the Trust Administrator Summarizing Investment Process; (2) Master Custody Agreement between the Retiree Health Care Trust Fund of the City and County of San Francisco and the Northern Trust Company; (3) Draft City and County of San Francisco Retiree Health Care Trust Fund Grantor Trust Agreement with Northern Trust Investments, Inc. (NTI); (4) Draft San Francisco Retiree Health Care Trust Fund Subordinate Trust Agreement with BlackRock Institutional Trust Company, N.A.(BlackRock); and (5) Northern Trust Institutional Funds Direction Form

Erik Rapoport, Deputy City Attorney, provided the background and update of the information on this item. Larry Witt, of Meketa, summarized the custody agreement and what it means for the Plan. Northern is ready to set up and invest City College funds after a future meeting with Michelle Allersma of the Controller's Office. Each document was reviewed by the Board and discussed.

President Marx called for public comment. There was no public comment.

Moved by Commissioner Salem, seconded by Commissioner Murphy, to approve the BlackRock Subordinate Trust Agreement, NTI Grantor Trust Agreement and Northern Trust Master Custody Agreement.

The motion was approved by the following vote:  
Ayes: Marx, Murphy, Salem and Walsh  
Absent: Levenson

07242015-05	Action item	<p><b>Approval of resolutions delegating executory, cash transfer, payment and limited investment authority to City Controller's Office.</b></p> <p>Documents provided to Board: Draft resolutions providing (1) Trust Fund Administrator with Executory Authority and (2) Controllers Office staff with limited investment authority and authority to make cash transfers and payments.</p> <p>President Marx called for public comment. There was no public comment.</p> <p>Moved by Commissioner Salem, seconded by Commissioner Murphy to approve the resolutions as presented.</p> <p>The resolutions were approved by the following vote: Ayes: Marx, Murphy, Salem and Walsh Absent: Levenson</p>
07242015-06	Discussion item	<p><b>Discussion regarding Trust Fund investment schedules.</b></p> <p>Documents provided to Board prior to meeting: Memorandum from staff regarding proposed FY 2015-16 investment schedule</p> <p>There was no public comment.</p> <p>Erik Rapoport advised that the resolution providing the Controller's Office staff with limited investment authority and authority to make cash transfers and payments was sufficient to move forward with the proposed FY 2015-16 investment schedule. The Board indicated that it was supportive of the proposed investment schedule.</p>
07242015-07	Action Item	<p><b>Discussion and possible action: MOU with SFERS to pay for administrative services on an as- needed basis.</b></p> <p>Documents provided to Board prior to meeting: Draft MOU between SFERS and RHCTF.</p> <p>The Board discussed the item and agreed it should be a resolution from the City Attorney's Office. The suggestion was made to request SFERS to provide the expertise, for which they will be paid.</p>

Moved by Commissioner Salem, seconded by Commissioner Walsh to seek a revised, short MOU with SFERS.

President Marx called for public comment. There was no public comment.

The motion for a short SFERS MOU was approved by the following vote:

Ayes: Marx, Murphy, Salem and Walsh  
Absent: Levenson

07242015-08

Action item

**Opportunity to place items on future Board agendas**

Board members requested the following items be placed on future Board agenda.

- a. Marx - Investment reporting and explanation of segregation of CCD funds;
- b. Marx - Insurance coverage and how adequate insurance levels are determined;
- c. Marx - Securities Lending;
- d. Murphy - RHCTF fund re-balancing procedures;
- e. Murphy - Meketa reporting going forward;
- f. Marx - Updating Investment Policy Statement per Meketa's revisions - per Michelle's 9/9/15 9:42 a.m. email;
- g. Marx - SFERS MOU to cover administrative/technical/investment support going forward; and
- h. Murphy - Resolution explaining RHCTF reliance on SFERS in choosing Northern, NTI and BlackRock.

President Marx called for public comment. There was no public comment.

07242015-09

Discussion Item

**Opportunity for the public to comment on any matters within the Board's jurisdiction.**

President Marx called for public comment. There

was no public comment.

□ Adjourn

The meeting adjourned at 11:25 a.m.