



Retiree Health Care Trust Fund Board

BOARD MEETING MINUTES

Monday, July 23, 2018

1:30 p.m.

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

RETIREE HEALTH CARE TRUST FUND BOARD MEMBERS

President

Katharine Petrucione

Vice President

David Salem

Members

Pauline Marx

Clare Murphy

Ed Walsh

Trust Administrator

Jay Huish

SFERS Executive Director

Disability Access

The meeting will be held at the SFERS Office, 1145 Market Street, 6th floor, San Francisco, CA 94103. 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 Sofia Millham, Board Secretary, at (415) 487-7055 or by email at sofia.millham@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 8th 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 Sofia Millham, Board Secretary, for further assistance at (415) 487-7055 or email at sofia.millham@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 sof@sfgov.org

Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from the Clerk of 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 Sofia Millham, Board Secretary, SFERS, 1145 Market Street, 5th Floor, San Francisco, CA 94103; telephone (415) 487-7055; or send an email with your request to sofia.millham@sfgov.org.

Location of materials accompanying agenda items and materials distributed less than 72 hours before meeting.

Meeting materials are available for inspection and copying during regular business hours at SFERS, 1145 Market Street, 5th Floor, San Francisco, CA 94103; please ask for Sofia Millham, Board Secretary. Any materials distributed to the members of the Board within 72 hours of the meeting or after the agenda packet has been delivered to the members are available for inspection at the same location during regular office hours.

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 -2.160) 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.

Ms. Malone offered to invite managers to present their perspectives on the market at upcoming board meetings, should the Board be interested in the subject matter. Ms. Malone noted the value in this information but also stated that the presentations do not have to occur on a regular basis.

Ms. Malone introduced David Suh, a new analyst on their team. Mr. Suh came from Meketa's capital group in Los Angeles, CA and joined the Portland office about four months ago.

Having no further questions from the Board, Ms. Malone and the rest of the Meketa team left the meeting at 2:10 PM.

Proposed Action: This was a discussion item only.

- 07232018-06 Action Item **Recommendation to issue a Request for Proposal for General Investment Consulting Services to the RHCTF**

Documents provided to Board prior to meeting: Staff Memorandum; Proposed RFP for General Investment Consultant

Kurt Braitberg, SFERS' Managing Director of Public Markets, presented an oral report on this item.

Mr. Braitberg explained that the draft provided to the Board contains material from the 2014 SFERS RFP for General Investment Consulting Services but modified for the RHCTF. The questions asked in the RFP are geared toward learning more about the applicants' capabilities in all asset classes. Presumably, a broader perspective in all asset classes should produce more relevant advice for the Board.

Mr. Braitberg explained the timing of the RFP rollout. At the point of the RFP's approval, it would take about two months until there are semi-finalists and finalists. Ideally, semi-finalists would be presented at the October meeting. It would take another two months before contracting with the consultant begins. Mr. Braitberg also noted that after the RFP is released to the public, submissions will be accepted for one month.

Commissioner Petrucione inquired about the selection panel. Mr. Braitberg stated that the panel will consist of himself, Bill Coaker, SFERS' Chief Investment Officer and another member of the SFERS investment staff.

Commissioner Petrucione requested clarification on the questions regarding the tenure of staff. Mr. Braitberg noted that he will revise those questions to be more specific.

Commissioner Marx noted an inconsistency in the use of the term "OPEB". Caryn Bornick, SFERS Deputy Executive Director, stated that she will make the suggested changes.

Commissioner Marx also noted that on page 3 of the RFP draft, the board meetings are listed as occurring monthly. Ms. Bortnick will change this to quarterly.

Commissioner Walsh commented on the amount of work to be done during the submission review process. In the past, all the work was done by the Board. For the new RFP, the Board agreed that SFERS staff will conduct the initial vetting. The Board will be included in the process once the semi-finalist(s) are determined.

Action: Moved by Commissioner Marx and seconded by Commissioner Salem to approve recommendation to issue a request for proposal for General Investment Consulting Services to the RHCTF.

Ayes: Marx, Murphy, Petrucione, Salem, Walsh. Nays: None

□ 07232018-07 Discussion Item **Trust Administrator Report**

Documents provided to Board prior to meeting: Staff Memorandum

Caryn Bortnick, SFERS Deputy Executive Director, presented an oral report on this item.

Action: This item was a discussion item only.

□ 07232018-08 Discussion Item **Board Educational Opportunities**

Documents provided to Board prior to meeting: List of Educational and Training Opportunities from Cortex Applied Research

Caryn Bortnick, SFERS Deputy Executive Director, presented the Board Educational Opportunities.

Action: This was a discussion item only.

□ 07232018-09 Action Item **Annual Election of Board President**

Documents provided to Board prior to meeting: None

Commissioner Murphy nominated Commissioner Petrucione for President. Commissioner Walsh seconded the nomination.

Commissioner Salem suggested that the rotation of the President and Vice President seats should be discussed before the next election. Ms. Bortnick commented that a rotation is recommended but not mandatory. The Board's policies allow for the sitting President to serve as President for another year. Commissioner Walsh agreed with Commissioner Salem's suggestion.

Action: To Elect Commissioner Petrucione as Board President for 2018-2019.

Ayes: Marx, Murphy Petrucione, Salem, Walsh. Nays: None

Commissioner Petrucione was elected Board President for 2018-2019.

□ 07232018-10 Action Item **Annual Election of Board Vice President**

Documents provided to Board prior to meeting: None

Commissioner Walsh nominated Commissioner Salem for Vice President. Commissioner Murphy seconded the nomination.

Action: To Elect Commissioner Salem as Board Vice President for 2018-2019.

Ayes: Marx, Murphy Petrucione, Salem, Walsh. Nays: None

Commissioner Salem was elected Vice President for 2018-2019.

□ 07232018-11 Discussion Item **Good of the Order**

RHCTF Board members may request that any matter be calendared at a future meeting. All such requests shall be calendared in a reasonable time. (RHCTF Board Operations Policy ¶17.) The Board will not discuss any items requested to be calendared until a subsequent

meeting when the matter is included on the agenda with the required public notice.

The next RHCTF Board Meeting is scheduled for Monday, October 22, 2018 at 1:30 PM.

Commissioner Petrucione requested a forward calendar for 2019.

Action: This was a discussion item only.

- **Adjourn 2:46 PM**