

Retiree Health Trust Fund (RHTF) Status and Budget, updated August 26,2014, City and County of San Francisco Controller's Office

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY12-13	FY 2013-14			FY 2014-15	FY 2015-16
Revenues	Actuals	Actuals	Actual	Actuals	Actual	Budget Proposal	Last Quarter Projection	Year-to-Date as of 8/26/14	Budget Proposal	Budget Proposal
Starting Fund Balance		323,483	3,194,672	8,541,521	17,851,560	31,205,393	31,205,393	31,205,393	47,694,529	69,529,272
2% Employee Contribution (1)	214,928	1,903,374	3,518,030	6,140,559	8,822,558	11,000,000	11,786,625	11,791,485	14,500,000	17,800,000
1% Employer Contribution (1)	107,464	951,919	1,773,184	3,070,242	4,411,034	5,500,000	5,893,313	5,894,706	7,250,000	8,900,000
Interest Earned (2)	1,091	15,896	55,635	144,127	195,079	281,636	257,116	257,116	379,743	785,952
Total Revenue	323,483	3,194,672	8,541,521	17,896,449	31,280,231	47,987,029	49,142,447	49,148,700	69,824,272	97,015,224
Expenditures										
External Audit / Report	-	-	-	-	-	25,000	-	-	25,000	25,000
City Attorney-legal expenses for trust setup & ongoing costs	-	-	-	37,903	56,524	40,000	40,000	32,224	40,000	40,000
Investment Manager and Custodian expenses	-	-	-	-	-	125,000	75,000	75,000	125,000	125,000
Retirement Board Administrative Support	-	-	-	-	18,314	12,500	12,500	17,388	75,000	75,000
Education / Training	-	-	-	6,985	-	20,000	3,000	2,796	30,000	30,000
Board Election (3)	60,000	-	-	-	-	70,000	70,000	51,967	-	-
Total Expenditures	60,000	-	-	44,888	74,838	292,500	200,500	179,375	295,000	295,000
Ending Fund Balance	263,483	3,194,672	8,541,521	17,851,560	31,205,393	47,694,529	48,941,947	48,969,325	69,529,272	96,720,224

Assumptions

(1) For FY14-15 and FY 15-16, revenue forecast is based on projected % or total budgeted salaries contributing to RHCTF at approximately 25% and 30% respectively.

(2) For FY14-15 and FY 15-16, the pool interest rate projection from TTX is 0.65% and 0.95% respectively.

(3) Increased staff costs to help implementing an investment decision by the board and possibly an actuarial evaluation.

(4) Elections are held once every five years; the next one is scheduled for May 2014 with estimated cost of \$70,000. There may be another election if a board member retires/leaves before May 2014 but this cost is not budgeted.

* Interest earned posted in FAMIS is only up to March 2014

**Retiree Health Trust Fund Budget Supporting Data
Contribution Actual and Projection**

																			Total Projected Employer Contribution	Total Projected Employee Contribution	Total Projected Contribution	Total Contribution Growth by Year	Growth of employees participate in RHCTF Contribution
FY 2013-14 SubObj 01502																							
	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	FY 13-14										
# of Pay Period	1.5	2	2	3	2	2	2	2	2	3	2	2.6	26.1										
01502 RETIREE HEALTH CARE - CITY MATCH	285,384	398,830	401,172	633,329	438,293	441,682	447,750	464,675	471,340	722,563	495,095	693,200		5,893,313	11,786,625	17,679,938	34%	31%					
City Match Amt/per pay period	190,256	199,415	200,586	211,110	219,147	220,841	223,875	232,338	235,670	240,854	247,547	266,615											
Growth Rate	0.72%	4.81%	0.59%	5.25%	3.81%	0.77%	1.37%	3.78%	1.43%	2.20%	2.78%	7.70%	3.14%										
Base salary of employer contribution to RHCTF	28,538,371	39,883,005	40,117,226	63,332,884	43,829,341	44,168,154	44,774,975	46,467,511	47,134,032	72,256,277	49,509,477	69,320,015	589,331,268	Projected % Total Salaries contributing to RHCTF									
Total CCSF salaries paid	158,361,514	215,348,509	214,111,002	321,061,953	214,897,770	216,929,302	214,336,224	216,013,430	216,739,013	324,416,189	217,109,853	295,743,908	2,825,068,667								BY	25.03%	
% Total Salaries contributing to RHCTF	18.02%	18.52%	18.74%	19.73%	20.40%	20.36%	20.89%	21.51%	21.75%	22.27%	22.80%	23.44%	20.86%								BY+1	30.04%	
Growth Rate		2.77%	1.17%	5.28%	3.39%	-0.17%	2.60%	2.97%	1.09%	2.42%	2.38%	2.79%											
FY 2012-13 SubObj 01502																							
	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	FY 12-13										
# of Pay Period	1.5	2	2	3	2	2	2	2	2	2	3	2.6	26.1										
01502 RETIREE HEALTH CARE - CITY MATCH	226,999	319,661	314,618	477,885	333,945	328,202	333,000	343,331	346,688	352,422	542,310	491,137		4,410,196	8,820,392	13,230,588	44%	36%					
City Match Amt/per pay period	151,333	159,830	157,309	159,295	166,972	164,101	166,500	171,666	173,344	176,211	180,770	188,899											
Growth Rate		5.62%	-1.58%	1.26%	4.82%	-1.72%	1.46%	3.10%	0.98%	1.65%	2.59%	4.50%	2.06%										
Base salary of employer contribution to RHCTF	22,699,919	31,966,050	31,461,823	47,788,471	33,394,453	32,820,158	33,300,008	34,333,116	34,668,764	35,242,154	54,230,973	49,113,727	441,019,616	Projected % Total Salaries contributing to RHCTF									
Total CCSF salaries paid	155,201,590	216,248,335	210,902,853	320,256,544	218,871,063	208,229,788	211,014,009	211,743,177	211,430,267	208,926,217	314,501,256	280,432,753	2,773,084,034								BY	19.88%	
% Total Salaries contributing to RHCTF	14.63%	14.78%	14.92%	14.92%	15.26%	15.76%	15.78%	16.21%	16.40%	16.87%	17.24%	17.51%	15.90%								BY+1	23.86%	
Growth Rate		1.07%	0.92%	0.03%	2.25%	3.30%	0.12%	2.75%	1.13%	2.87%	2.22%	1.57%											
FY 2011-12 SubObj 01502																							
	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	FY 11-12										
# of Pay Period	1.6	2	2	2	3	2	2	2	2	2	2	3.5	26.1										
01502 RETIREE HEALTH CARE - CITY MATCH	157,593	203,560	204,465	211,931	333,038	226,466	229,858	237,146	245,827	253,934	399,340	367,084		3,070,242	6,140,484	9,210,726	73%	66%					
City Match Amt/per pay period	98,496	101,780	102,233	105,966	111,013	113,233	114,929	118,573	122,914	126,967	199,670	104,881											
Growth Rate	10.45%	3.33%	0.44%	3.65%	4.76%	2.00%	1.50%	3.17%	3.66%	3.30%	57.26%	-47.47%	3.24%										
Base salary of employer contribution to RHCTF	15,759,300	20,356,000	20,446,500	21,193,100	33,303,800	22,646,600	22,985,800	23,714,600	24,582,700	25,393,400	39,934,000	36,708,400	307,024,200	Projected % Total Salaries contributing to RHCTF									
Total CCSF salaries paid	157,863,665	199,786,733	201,204,246	201,024,880	303,976,084	198,044,401	201,496,535	197,273,763	200,738,118	198,596,257	301,549,198	270,524,061	2,632,077,943								BY	19.88%	
% Total Salaries contributing to RHCTF	9.98%	10.19%	10.16%	10.54%	10.96%	11.44%	11.41%	12.02%	12.25%	12.79%	13.24%	13.57%	11.66%								BY+1	23.86%	
Growth Rate																							
FY 2010-11 SubObj 01502																							
	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	FY 10-11										
# of Pay Period	1.7	2	2	2	2	3	2	2	2	2	2	3.4	26.1										
01502 RETIREE HEALTH CARE - CITY MATCH	88,416	108,178	110,194	111,521	119,993	186,685	132,343	144,912	149,346	153,675	162,147	303,208		1,770,618	3,541,236	5,311,854							
City Match Amt/per pay period	52,009	54,089	55,097	55,761	59,997	62,228	66,172	72,456	74,673	76,838	81,074	89,179											
Growth Rate		4.00%	1.86%	1.20%	7.60%	3.72%	6.34%	9.50%	3.06%	2.90%	5.51%	10.00%	6.08%										
Base salary of employer contribution to RHCTF	8,841,600	10,817,800	11,019,400	11,152,100	11,999,300	18,668,500	13,234,300	14,491,200	14,934,600	15,367,500	16,214,700	30,320,800	177,061,800	Projected % Total Salaries contributing to RHCTF									
Total CCSF salaries paid	167,395,929	196,578,054	194,041,383	191,186,001	192,107,087	289,499,918	195,147,389	190,848,435	191,115,506	190,546,679	191,193,494	337,124,287	2,526,784,163								BY	19.88%	
% Total Salaries contributing to RHCTF	5.28%	5.50%	5.68%	5.83%	6.25%	6.45%	6.78%	7.59%	7.81%	8.06%	8.48%	8.99%	7.01%								BY+1	23.86%	
Growth Rate																							

**Retiree Health Trust Fund Budget Supporting Data
Interest Actual and Projection**

	FY 2013-14 Interest Actual													Total Interest	
	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	FY 13-14		
300 INTEREST & INVESTMENT INCOME	18,961	19,216	18,627	17,681	21,582	21,848	20,351	15,212	17,952	24,845	30,234	30,607		257,116	1.45%
Growth Rate		1.35%	-3.06%	-5.08%	22.06%	1.23%	-6.85%	-25.25%	18.01%	38.40%	21.69%	1.23%	5.79%		
	FY 2012-13 Interest Actual													Total Interest	
	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	FY 12-13		
300 INTEREST & INVESTMENT INCOME	17,336	13,844	15,438	13,585	17,982	12,997	20,022	17,547	15,219	18,308	16,362	16,439		195,078	1.47%
Growth Rate		-20.15%	11.51%	-12.00%	32.37%	-27.72%	54.05%	-12.37%	-13.27%	20.30%	-10.63%	0.47%	2.05%		
	FY 2011-12 Interest Actual													Total Interest	
	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	FY11-12		
300 INTEREST & INVESTMENT INCOME	7,346	8,032	8,972	9,829	11,258	12,617	10,732	12,424	15,478	13,662	22,675	11,102		144,127	1.56%
Growth Rate		9.34%	11.70%	9.55%	14.54%	12.07%	-14.94%	15.77%	24.58%	-11.73%	65.97%	-51.04%	7.80%		
	FY 2010-11 interest Actual													Total Interest	
	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	FY 10-11		
300 INTEREST & INVESTMENT INCOME	2,904	3,516	3,485	3,521	4,092	5,041	5,185	6,090	3,692	4,999	5,810	7,301		55,636	1.05%
Growth Rate		21.07%	-0.88%	1.03%	16.22%	23.19%	2.86%	17.45%	-39.38%	35.40%	16.22%	25.66%	10.81%		

Retiree Health Care Trust Fund Contribution Projection - BOTH GFS & NGFS, excluding 7A & 7S

	ACUTAL	PROJECTION					
	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
Total CCSF Salaries Projection (char 001)*	2,821,117,870	2,928,402,763	3,067,969,648	3,129,329,041	3,191,915,622	3,255,753,934	3,320,869,013
	(actual as of 8/12/14)	(from approved)	(from approved)	(assuming 2% CPI adjustment in the out years)			
Employees hired AFTER 1/10/2009							
% Total Salaries contributing to RHCTF**	20.89%	25.07%	30.08%	34.59%	39.78%	43.76%	48.14%
Contribution % - Employer - City Match	1%	1%	1%	1%	1%	1%	1%
Total Projected Employer Contribution	5,894,706	7,340,920	9,228,944	10,825,551	12,698,371	14,247,572	15,985,776
Contribution % - Employee	2%	2%	2%	2%	2%	2%	2%
Total Projected Employee Contribution	11,791,485	14,681,840	18,457,887	21,651,102	25,396,742	28,495,145	31,971,552
Employees hired BEFORE 1/10/2009							
% Total Salaries contributing to RHCTF				65.41%	60.22%	56.24%	51.86%
Contribution % - Employer - City Match				0.25%	0.50%	0.75%	1.00%
Total Projected Employer Contribution				5,116,935	9,610,393	13,732,475	17,222,914
Contribution % - Employee				0.25%	0.50%	0.75%	1.00%
Total Projected Employee Contribution				5,116,935	9,610,393	13,732,475	17,222,914
TOTAL CITY CONTRIBUTION - GFS + NGFS, no 7A & 7S	5,894,706	7,340,920	9,228,944	15,942,486	22,308,764	27,980,048	33,208,690
YEAR BY YEAR INCREASE (\$million)		1.45	1.89	6.71	6.37	5.67	5.23
TOTAL PROJECTED CONTRIBUTION - City + Employees	17,686,191	22,022,760	27,686,831	42,710,522	57,315,898	70,207,668	82,403,156
YEAREND CONTRIBUTION BALANCE	48,961,549	70,984,309	98,671,140	141,381,662	198,697,561	268,905,228	351,308,385

Note:

* CPI assumption

** Assumed growth rate of employees hired AFTER 1/10/2009

			2%	2%	2%	2%
	20%	20%	15%	15%	10%	10%