



## STAFF REPORT

TO: Members of the San Francisco Retiree Health Care Trust Fund Board

FROM: Matt Podolin, Senior Performance Analyst, Controller's Office

DATE: May 22, 2014

SUBJECT: **CONSIDER ADOPTION OF A SAN FRANCISCO RETIREEE HEALTH CARE TRUST FUND BOARD POLICY MANUAL**

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### REQUEST

Consider adopting the proposed San Francisco Retiree Health Care Trust Fund Board Policy Manual (Attachment 1).

### RECOMENDATION

Adopt the proposed San Francisco Retiree Health Care Trust Fund Board Policy Manual.

### DISCUSSION

#### **Current Board Governance Documents**

The Retiree Health Care Trust Fund (RHCTF) Board has adopted Bylaws that were most recently amended on January 28, 2014 (Attachment 2). The Board also adopted an Education and Training Policy on May 22, 2013 (Attachment 3).

#### **Proposed Board Governance Documents**

The proposed RHCTF Board Policy Manual ("the Manual") would supersede both the Bylaws and the current Education and Training Policy. The Manual would provide additional governance of the activities, aims, and functions, of the RHCTF Board. The Manual was based, in part, on the San Francisco Employees' Retirement System (SFERS) Board Policy Manual. The SFERS manual was modified to suit the aims and needs of the RHCTF Board.

Elements contained within this Board Policy Manual include:

- An introduction
- Board terms of reference
- An operations policy

- A communications policy
- An education and travel policy
- A code of conduct policy
- Relevant legislation

### **Education and Travel Policy**

The Education and Travel Policy (“the Policy”) was adopted on May 22, 2013. An amended version of this policy is included as part of the Board Policy Manual. One significant change to the Policy is the delegation of authority for the approval of some education and travel expenses from the Board to the Fund Administrator. These changes aim to allow Board members to efficiently obtain education that will enable them to effectively perform their duties, while also helping to ensure the prudent management and control of Fund expenses. Subject to restrictions, the Policy allows the Fund Administrator to approve for each Board member, education and travel expenses that do not cumulatively exceed one tenth (10%) of the total approved education and travel funds. All education and travel expenses exceeding this amount must be approved by the Board. In addition, all travel outside of North America requires Board approval.

### **FISCAL IMPACT**

The adoption of the Manual has no direct fiscal impact. However, the proposed policies do commit the board to funding specific items, including tasks to be performed by a Board Secretary and funding for a financial audit.

### **ALTERNATIVES**

1. Do not adopt the RHCTF Board Policy Manual as proposed and provide feedback to staff.

### **ATTACHMENTS**

1. The San Francisco Retiree Trust Fund (RHCTF) Board Policy Manual
2. The RHCTF Bylaws (amended January 28, 2014)
3. The RHCTF Education and Travel Policy (as adopted on May 22, 2013)