



# Retiree Health Care Trust Fund Board

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## ***DRAFT* BOARD MEETING MINUTES**

### **Special Meeting**

**Monday, October 24, 2012**

**3:00 PM**

City and County of San Francisco  
30 Van Ness Avenue, Suite 3000  
San Francisco, CA 94103

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

*President*

**Carol Cypert**

*Vice President*

**Pauline Marx**

*Members*

**Connie Hiatt**

**Leo Levenson**

**Edward Walsh**

### **Disability Access**

The meeting will be held at 30 Van Ness Avenue, Suite 3000, 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 Rosanne Torre, Board Secretary, at (415) 554-7401 or by email at [rosanne.torre@sfgov.org](mailto:rosanne.torre@sfgov.org) at least two (2) business days before the meeting.

The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and 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 Rosanne Torre, Board Secretary, for further assistance at (415) 554-7401 or send email to [Rosanne.Torre@sfgov.org](mailto:Rosanne.Torre@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 Rosanne Torre, Board Secretary, City Hall, Room 488, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102; telephone (415) 554-7401; or send email with your request to [rosanne.torre@sfgov.org](mailto:rosanne.torre@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

□ Pledge of Allegiance

□ Roll Call:

Commissioner Carol Cypert	3:00 pm
Commissioner Connie Hiatt	3:10 pm
Commissioner Pauline Marx	3:00 pm
Commissioner Leo Levenson	3:00 pm
Commissioner Edward Walsh	3:00 pm

□ 10242012-01      Action item      **Approval of the Minutes of the September 4, 2012, Board Meeting**

Documents provided to Board prior to meeting:  
*Draft Minutes*

Moved by Commissioner Levenson, Seconded by Commissioner Marx to approve the minutes of September 04, 2012, Board Meeting.

Approved by the Following Vote:  
Ayes: Cypert, Levenson, Marx, Walsh  
Absent: Hiatt

□ 10242012-02      Discussion item      **Health Service System Presentation Regarding the City's Rates and Benefits Process, Including Retiree Health Care Coverage**

1. Documents provided to Board at meeting:  
*Overview of Retiree Health Costs presentation*
2. *Sample Medical/Vision Premium Rate Calculations Worksheet*
3. *Retired Employees, 2013, Health Benefits booklet*

Catherine Dodd, Director of the San Francisco Health Service System, presented an overview of the Retiree Health Costs.

The Board engaged in a question and answer session.

This is a discussion item only.

□ 10242012-03      Discussion item      **Report on Current Funding Status of RHCTF**

Documents provided to Board prior to meeting:  
*Retiree Health Trust Fund Budget*

Theresa Kao of Controller's Office provided an

oral and written report.

The Board engaged in a question and answer session.

Commissioner Levenson stated that by the next meeting there may be a new actuarial report from Cheiron.

This is a discussion item only.

- 10242012-04 Discussion item

**Report on Current Investment Status of RHCTF**

Documents provided to Board prior to meeting:  
*Investment Report for the Month of September 2012*

Commissioner Marx gave an oral and written report on this item.

The Board engaged in a question and answer session.

This is a discussion item only.

- 10242012-05 Action item

**Approve: (1) Administrative Support Staff Billings Retroactively for FY11-12; (2) FY12-13 Forecast; and (3) RHCTF Administrative support Work Order**

Documents provided to Board prior to meeting:  
*Administrative Staff Rates and Billings and Work Order*

Rosanne Torre and Commissioner Levinson provided an oral and written report on the billings and the MOU.

There was discussion on adding language to the MOU. This item is to be continued at the next meeting.

Commissioner Levenson motioned to approve the payment of expenses for FY11-12 and estimated FY12-13, Seconded by Commissioner Walsh.

Approved by the following vote:  
Ayes: Cypert, Hiatt, Marx, Levenson, Walsh

- 10242012-06 Action item

**Discussion and Possible Action Regarding the San Francisco Community College District's Decision to Join the Retiree Health Care Trust Fund for their Classified (Non-teaching) Employees.**

Documents provided to Board at the meeting:  
*Draft Retiree Health Care Trust Fund (RHCTF)  
Board-Resolution NO. 2013-01; Authorization to  
Transfer \$500,000 to the San Francisco City and  
County Retiree Health Care Trust Fund for Post-  
Retirement Health Benefits for Employees of the  
San Francisco Community College District*

John Bilmont, Associate Vice Chancellor/Chief  
Financial Officer of City College of San Francisco  
presented to the Board.

The Board engaged in a lengthy question and  
answer session.

Commissioner Cypert said the Board is not ready  
to adopt the Resolution. Mr. Rapoport will report  
on the remaining legal issues at the next meeting.  
He asked the Board to email him specific  
questions.

Commissioner Marx moved to table this item to  
the next meeting, Seconded by Commissioner  
Walsh.

Approved by the following vote:

Ayes: Cypert, Hiatt, Marx, Levenson, Walsh

- 10242012-07                      Discussion item                      **Discussion Regarding City Indemnification  
and Legal Defense of RHCTF Board Members**

Documents provided to Board prior to meeting:  
None

Mr. Rapoport requested to table this item to the  
next Board Meeting. He will do further research  
and give a complete presentation at that time.

This is a discussion item only.
- 10242012-08                      Action item                              **Discussion and Possible Action Regarding  
the Investment Consultant Request for  
Proposals (RFP) Selection Panel**

Documents provided to Board prior to meeting:  
None

The Board gave the discretion of choosing the  
selection panel to the Board President.

The Board reviewed the duties delegated to the  
selection panel and the Board in selecting an  
investment advisor.

No action taken.
- 10242012-09                      Action item                              **Discussion and Possible Action Regarding  
the RHCTF Request for Proposals (RFP) to  
Retain an Investment Consultant.**

Documents provided to Board prior to meeting:  
*Draft Request for Proposals (RFP) for Investment Consulting Services*

There was discussion of what work is left to be done on the RFP. No substantive changes were suggested and discussed by Board members.

Mr. Rapoport recommended that the Board approve the RFP allowing that no substantive administrative changes be made. Mr. Rapoport will take any non substantive comments that continue to come in from Board members.

Commissioner Cypert recommended the Board adopt the RFP for delivery for responsive bids while any suggested changes are sent to the Deputy City Attorney no later than Monday, October 29, 2012. The delivery of the RFP can then be executed on Friday, November 2, 2012.

Approved by the following vote:  
Ayes: Cypert, Hiatt, Marx, Levenson, Walsh

- 10242012-10 Discussion item

**Discussion Regarding Methodology for Estimating Future Growth in RHCTF Income either Through the Controller's Office or the City's GASB 45 Actuary**

Documents provided to Board prior to meeting:  
*California Watch Report: Major cities not prepared for growing retiree health costs, 10-10-2012.*

This item was tabled to the next meeting.

Commissioner Marx noted that *California Watch Report* contains some erroneous information and asked how the Board wants to respond.

Mr. Rapoport replied that he is in the process of drafting Board policies; once the Communication policy is complete the Board can then decide how they want to respond.

This is a discussion item only.

- 10242012-11 Action item

**Discussion and Possible Action Regarding Adoption of RHCTF Governance Policies**

Documents provided to Board prior to meeting:  
Draft policies.

Mr. Rapoport suggested that Board members review the draft policies between now and the

next meeting and he will do further research into what policies are appropriate for this Board.

No action taken.

- 10242012-12                      Discussion item                      **Discussion on Best Practices Survey**

Documents provided to Board prior to meeting:  
None

Norm Nickens will post the Best Practices questions on the CALAPRS website and have responders send information to Rosanne Torre.

Commissioner Marx said she would send the Best Practices questions to the California Municipal Finance Officers.

This is a discussion item only.
  
- 10242012-13                      Action item                      **Opportunity to Place Items on Future Board Agendas**

Commissioner Levenson to report on the updated Cheiron actuarial report.

RHCTF Administrative Support Work Order/MOU to be finalized and approved.

Mr. Rapoport to return with the Draft Retiree Health Care Trust Fund (RHCTF) Board-Resolution NO. 2013-01 *Authorization to Transfer \$500,000 to the San Francisco City and County Retiree Health Care Trust Fund for Post-Retirement Health Benefits for Employees of the San Francisco Community College District.*

Mr. Rapoport to research the City indemnification and legal defense of RHCTF Board members.

Rosanne Torre to send out the link to the full *California Watch Report.*

Mr. Rapoport to finalize Board policies.

Norm Nickens and Commissioner Marx to post the Best Practices questions.
  
- 10242012-14                      Discussion item                      **Opportunity for the Public to Comment on any Matters within the Board's Jurisdiction**

Public comments: There were no public comments.
  
- Adjournment: There being no further business, the Board adjourned the meeting at 5:04 pm.

