

POLICE & FIRE DEPARTMENT HEALTH CARE TRUST

Minutes of the Police & Fire Department Health Care Trust Meeting

THURSDAY

SAN JOSÉ, CALIFORNIA

February 7, 2013

CALL TO ORDER

The Board of Administration of the Police & Fire Department Health Care Trust met on Thursday, February 7, 2013 at 8:35 a.m., in regular session at City Hall in the Wing Meeting Rooms 118-120, 200 East Santa Clara Street, San José, California 95113.

PRESENT:

BOARD MEMBERS

Sean Kaldor, Chair	-Present
Richard Santos, Vice Chair	-Present
Sean Bill	-Present
Damon Krytzer	-Absent
Drew Lanza	-Present
James Mason	-Present
Nick Muyo	-Present
Elizabeth Rounds	-Present
Vincent Sunzeri	-Present

NON-VOTING BOARD MEMBER

Pete Constant (*departed @ 1:35 p.m.*) -Present

ACTING DIRECTOR RETIREMENT SERVICES

Donna Busse -Present

COUNSEL

Jeffrey Rieger -Present

BOARD MEDICAL DIRECTOR

Rajiv Das, M.D. -Present

RETIREMENT SERVICES STAFF – PRESENT: Veronica Niebla; Lesley Lamb; Ron Kumar; Tram Doan; Sonia Morales; Linda Alexander; Daryn Miller, Jennifer Holmboe; Barbara Hayman.

ALSO PRESENT: Dan LeBeau, NEPC; Bill Hallmark, Cheiron; Mike Schionning, Cheiron; Jim Spence, P&F Retirees' Association; Sam Swift, Attorney, Thomas Boyle, Attorney; Marty Jo Luis, Police Department; Warren Krause, ABMEI; Paul S. Kennedy, Fire; Diam Clift, LRWL; Ro D'Acchioli, Fire; Joe Fleming, Police; Alex Gurza, OER; Cheryl Parkman, OER; Steve Cauble and Travis Bagley of Russell Investments.

Chair Kaldor called to order both the Police & Fire Department Retirement Plan and the Health Care Trust Agendas at 8:35 a.m.

CALL TO ORDER: 8:35 a.m.

• ORDERS OF THE DAY

Chair Kaldor made the changes to the Orders of the Day:

- Item 2.3 of the Pension Agenda and Items 1.3 and 1.4 of the Health Care Trust Agenda to be heard concurrently
- Items 1.4 and 1.3 of the Health Care Trust – received late, same back-up documents.

A motion was made to Waive Sunshine on Items 1.4 and 1.3 of the Health Care Trust Agenda.

Approved. (M.S.C. – Kaldor/Santos, 8-0-0, with one absent-Krytzer)

1. NEW BUSINESS

1.1 Minutes of the Police & Fire Department Health Care Trust meeting of January 3, 2013.

A motion was made to approve the Minutes of the Police & Fire Department Health Care Trust meeting of January 3, 2013.

Approved. (M.S.C. Santos/Muyo, 8-0-0, with one absent-Krytzer)

Item 1.2 of the Health Care Trust Agenda and Item 1.3 of the Pension Agenda were heard concurrently, as noted on Orders of the Day.

1.2 Presentation of the November 2012 Flash Report for the Health Care Trust.

Dan LeBeau of NEPC led the presentation of the November 2012 Flash Report for the Health Care Trust and responded to questions from the Board.

The Board accepted the November 2012 Flash Report for the Health Care Trust.

Items 1.3 and 1.4 were heard concurrently, as noted on Orders of the Day.

1.3 Discussion and action on tax filing:

Mary Beth Braitman (via teleconference) of Ice Miller led the discussion on tax filing and responded to questions from the Board.

- a. Authorize Ice Miller, LLP to submit a request for a private letter ruling to the Internal Revenue Service (IRS) on behalf of the Trust Fund arrangements to confirm the tax exempt status of the trust fund under Internal Revenue Code Sections 115.**
- b. Approve the payment of the IRS filing fee in the amounts of \$18,000 by the Trust Fund.**

A motion was made to approve as requested and approve the payment of \$18,000 by the Trust Fund.

Approved. (M.S.C. – Santos/Sunzeri, 8-0-0, with one absent-Krytzer)

1.4 Update on employee contributions to 115 trusts. Describe ruling that employee contributions paid to the trust(s) are excludable from the gross income of employees.

Item 1.4 was heard concurrently with Item 1.3, as noted on Orders of the Day.

Mary Beth Braitman of Ice Miller updated the Board on employee contributions to 115 trusts and stated that the City is going through the process that employee contributions paid to the trusts are excluded from the gross income of employees.

The report was accepted by the Board.

2. OLD BUSINESS - None
- COMMUNICATION/INFORMATION - None
- FUTURE AGENDA ITEMS - None
- PUBLIC/RETIREE COMMENTS - None
- ADJOURNMENT

Meeting was adjourned at 1:42 p.m.


SEAN KALDOR, CHAIR
BOARD OF ADMINISTRATION

ATTEST:



DONNA BUSSE
ACTING DIRECTOR, RETIREMENT SERVICES