

FEDERATED RETIREE HEALTH CARE TRUST FUND

Minutes of the Retiree Health Care Trust Fund Meeting

THURSDAY

SAN JOSÉ, CALIFORNIA

DECEMBER 15, 2011

CALL TO ORDER

The Board of Administration of the Federated Retiree Health Care Trust Fund met on Thursday, December 15, 2011 at 11:20 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

Matt Loesch, Chair -Present
Ed Overton, Vice-Chair -Present
Arn Andrews -Present
Michael Armstrong -Present
Lara Druyan -Present
Stuart Odell -Present
Martin Dirks -Present

BOARD MEDICAL DIRECTOR

Rajiv Das, M.D. - N/A

COUNCIL LIAISON

Pete Constant -Present

DIRECTOR RETIREMENT SERVICES

BOARD SECRETARY

Russell U. Crosby -Present

COUNSEL

Mollie Dent -Present
Russ Richeda -Present

RETIREMENT SERVICES STAFF

PRESENT

Donna Busse, Deputy Director, COO
Carmen Racy-Choy, Deputy Director, CIO
Veronica Niebla
Ron Kumar
Sonia Morales
Troy Gavin

ALSO PRESENT

Allison Suggs, OER
David Armstrong, Retiree
Susan Devencenzi, Retiree

CALL TO ORDER: 11:20 a.m.

ORDERS OF THE DAY

1. NEW BUSINESS

1.1 Approval of Retiree Health Care Trust Fund Minutes of November 17, 2011.

Approved. (M.S.C. – Andrews/Druyan, 7-0-0)

1.2 Discussion and action regarding withdrawal of Private Letter Ruling Request No. 3 related to whether contributions paid to the trust by the City and by the employees, and benefits paid from the trust, are excludable from the gross income of employees, retirees and dependents.

Access the video or audio, the agenda and related reports for this meeting by visiting the Retirement Services website at <http://sjretirement.com/> or http://sanjose.granicus.com/ViewPublisher.php?view_id=44. If you have any questions, please contact the Retirement Services Department at (408) 794-1000.

Ms. Dent reported to the Board that the request for Private Letter Ruling was filed with the Internal Revenue Service, but stated that the IRS requested withdrawal of Ruling request #3 and noted that the request was not an indication of a denial. Outside Counsel recommended continue to move forward with Rulings 1 and 2, but withdrawing Ruling request 3 per the IRS request. Ms. Dent noted that ruling request #3 could be filed separately at a later date if it appears that the IRS would be receptive to the request.

A motion was made to accept the withdrawal of Private Letter Ruling Request No. 3 related to whether contributions paid to the trust by the City and by the employees, and benefits paid from the trust, are excludable from the gross income of employees, retirees and dependents.

Approved. (M.S.C. – Overton/Andrews, 7-0-0)

2. OLD BUSINESS

2.1 Update on Formation of Group Trust.

Staff to create a recommendation to City Council on Formation of Group Trust

- **FUTURE AGENDA ITEMS - None**
- **PUBLIC/RETIREE COMMENTS - None**
- **ADJOURNMENT**

Meeting was adjourned at 11:29 a.m.



**MATTHEW LOESCH, P.E., CHAIR
BOARD OF ADMINISTRATION**

ATTEST:



**RUSSELL U. CROSBY
SECRETARY, BOARD OF ADMINISTRATION
DIRECTOR, RETIREMENT SERVICES**