

File No. 130481

Committee Item No. 1

Board Item No. 44

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Rules

Date 6/27/13

Board of Supervisors Meeting

Date 7/9/13

Cmte Board

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OTHER

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|-------------------------------------|-------------------------------------|--------------------------|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Charter Amendment</u> |
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Completed by: Linda Wong

Date 6/24/13

Completed by: L.W.

Date 7/2/13

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

[Retiree Health Care Trust Fund]

CHARTER AMENDMENT

PROPOSITION _____

Describing and setting forth a proposal to the qualified voters of the City and County of San Francisco to amend the Charter of the City and County of San Francisco by amending Sections 12.204 and A8.432 to limit Retiree Health Care Trust Fund disbursements to defray participating employer retiree health care costs until employer sub-trusts are fully funded; allow for disbursements from the City's sub-trust if the City's retiree health care costs are greater than ten percent (10%) of its total payroll costs even if the City's sub-trust is not fully funded; permit modifications to these disbursement guidelines if recommended by the Controller after consultation with the City's Governmental Accounting Standards Board actuary, and approved by the Mayor, two-thirds of the Board of Supervisors, and the Retiree Health Care Trust Fund Board; permit a participating employer to adopt disbursement guidelines if approved by a two-thirds vote of that participating employer's governing board; and make the Controller, the City Treasurer, and the Executive Director of the San Francisco Employees' Retirement System, or their designees, members of the Retiree Health Care Trust Fund Board.

The Board of Supervisors hereby submits to the qualified voters of the City and County, at an election to be held on November 5, 2013, a proposal to amend the Charter of the City and County by amending Sections 12.204 and A8.432 to read as follows:

NOTE: Additions are *single-underline italics Times New Roman*;
deletions are ~~*strike-through italics Times New Roman*~~.

SEC. 12.204. RETIREE HEALTH CARE TRUST FUND.

(a) The Retiree Health Care Trust Fund ("RHCTF") shall be an irrevocable trust fund established under Section A8.432, and separate from the Health Service System trust fund described in Charter Sections 12.203 and A8.428, to provide a funding source to defray the cost of the City's,

and other Participating Employers', obligations to pay for health coverage for retired persons and their survivors entitled to health coverage under Section A8.428. ~~Trust~~ RHCTF assets shall be held for the sole and exclusive purpose of providing health coverage to eligible retired persons and their survivors, and to defray the reasonable expenses of administering the RHCTF, including but not limited to educational, actuarial, consulting, administrative support and accounting expenses associated with the RHCTF. Subject to the approval of the Board of Supervisors by resolution, the Retiree Health Care Trust Fund Board (Board) may, upon the adoption of a resolution, authorize specific payments for specific amounts enumerated in the resolution shall pay for such ~~Administrative costs from the RHCTF., including but not limited to educational, actuarial and consulting expenses associated with the Retiree Health Care Trust Fund, as adopted by the board of supervisors in the annual budget, shall be paid from the Retiree Health Care Trust Fund, but only upon adoption of a resolution by the Retiree Health Trust Fund Board approving such expenses.~~

(b) ~~The Board shall govern the RHCTF shall be governed by a Retiree Health Trust Fund Board ("Board").~~ The Board shall consist of the following five trustees; ~~one of whom shall be appointed by the City Controller, one of whom shall be appointed by the City Treasurer, and one of whom shall be appointed by the Executive Director of the San Francisco Employees' Retirement System, or their respective designees;~~ and two trustees of whom shall be elected from among active employee and retired members of the City's Health Service System. One of the elected trustees shall be an active employee member and one shall be a retired member as of the date of their respective elections. Each elected trustee shall serve for a term of five years. No person may serve simultaneously as a trustee on the Board and as an elected or appointed member of the San Francisco Employees' Retirement System Board or the Health Service System Board.

A8.432 RETIREE HEALTH CARE TRUST FUND.

There is hereby created a Retiree Health Care Trust Fund (RHCTF) for the purpose described in Section 12.204. Subject to the disbursement limitations set forth in Section A8.432(d) below. ~~The~~ Retiree Health Care Trust Fund Board (Board) ~~described in Section 12.204~~ shall have exclusive authority and control over the administration of the RHCTF, investments of trust assets, and disbursements from the trust in accordance with the provisions of this Charter.

(a) Employees Who Commenced Employment on or After January 10, 2009

Active officers and employees of the City and County and of other Participating Employers, who ~~e~~Commenced ~~e~~Employment ~~with the City and County, or the Participating Employers,~~ on or after January 10, 2009, shall contribute their respective Employer's "Normal Cost" to the RHCTF. The annual active officer and employee RHCTF contribution rate for each Employer shall be ~~that~~ Employer's "Normal Cost," as determined by ~~that~~ Employer's respective General Governmental Accounting Standards Board (GASB) Actuary, ~~ies~~ computed as a percentage of compensation not to exceed 2% of pre-tax compensation for each officer and employee to the RHCTF. ~~The~~ Each Employer's GASB ~~a~~Actuary, ~~ies~~ shall determine ~~that~~ Employer's respective "Normal Cost" on a biannual basis.

The City and County and Participating Employers shall each contribute 1% of compensation for officers and employees who ~~e~~Commenced ~~e~~Employment on or after January 10, 2009. Once an Employer's GASB Actuary has determined that an Employer's sub-trust is Fully Funded, and that the Employer is subject to no Unfunded Actuarial Accrued Liability, that Employer's 1% RHCTF contribution shall cease. ~~Once an Employer has no Unfunded Actuarial Accrued Liability and the Retiree Health Trust Fund is Fully Funded Thereafter, then the that~~ Employer and its active officers and employees who ~~e~~Commenced ~~e~~Employment on or after January 10, 2009, shall instead each contribute 50% of the "Normal Cost," as determined by

~~that~~ Employer's' ~~respective~~ GASB ~~a~~Actuaries, ~~with except that~~ the ~~employee's~~ contribution rate for officers and employees shall not ~~to~~ exceed 2% of pre-tax compensation ~~and the 1% Employer contribution shall no longer be required.~~ In the event that the contribution rates set forth above do not cover the entire Normal Cost, the Employer shall contribute the balance into the RHCTF.

(b) Employees Who Commenced Employment on or Before January 9, 2009

Notwithstanding any other provision of Charter Sections A8.409 through A8.409-9, and A8.590-1 through A8.590-9, starting July 1, 2016, all active officers and employees of the City and County and Participating Employers, who ~~e~~Commenced ~~e~~Employment ~~with the City and County, or Participating Employers,~~ on or before January 9, 2009, shall contribute 0.25% of pre-tax compensation into the RHCTF. Starting on July 1 of each subsequent year, all active officers and employees of the City and County and Participating Employers, who ~~e~~Commenced ~~e~~Employment ~~with the City and County, or Participating Employers,~~ on or before January 9, 2009, shall contribute an additional 0.25% of pre-tax compensation up to a maximum of 1%. Notwithstanding the foregoing, the contributions for officers and employees who ~~e~~Commenced ~~e~~Employment on or before January 9, 2009, shall not exceed ~~each~~their Employer's ~~respective~~ "Normal Cost" as determined by ~~the~~each Employer's' respective General Accounting Standards Board (-GASB) Actuaries on a bi-annual basis.

Starting July 1, 2016, the Employers shall contribute 0.25% of compensation into the RHCTF for each officer and employee who ~~e~~Commenced ~~e~~Employment on or before January 9, 2009. Starting on July 1 of each subsequent year, the Employers shall contribute an additional 0.25% of compensation, up to a maximum of 1%, for each officer and employee who ~~e~~Commenced ~~e~~Employment on or before January 9, 2009.

Once an Employer's GASB Actuary has determined that an Employer's sub-trust is Fully Funded, and that the Employer is subject to no Unfunded Actuarial Accrued Liability, that Employer's 1% contribution shall cease. ~~Once an Employer has no Unfunded Actuarial Accrued~~

~~Liability and the Retiree Health Trust Fund is Fully Funded Thereafter, then that~~ Employer and its active officers and employees who ~~e~~Commenced ~~e~~Employment on or before January 9, 2009, shall instead each contribute 50% of the "Normal Cost," as determined by ~~that~~ Employer's' ~~respective~~ GASB ~~a~~Actuaries, ~~with except that~~ the ~~employee's~~ contribution rate for officers and employees shall not to exceed 1% of pre-tax compensation, and the 1% Employer contribution shall no longer be required. In the event that the contribution rates set forth above do not cover the entire Normal Cost, the Employer shall contribute the balance into the RHCTF.

(c) Segregation ~~And Use of Retiree Health Care Trust Fund Assets Contributions~~

The Board shall segregate RHCTF ~~C~~contributions to the RHCTF from the City and County, and its officers and employees, and from each Participating Employer, and ~~its~~their officers and employees, ~~shall be segregated from each other into separate sub-trusts for each Employer. and~~ The Board may authorize expenditures from each Employer sub-trust only used as a funding source to defray the respective Employer's' obligations to pay for its retiree health care costs under Section A8.428, and to pay for the respective Employer's' share of administrative expenses. The Board may pool sub-trust funds may be pooled for investment purposes only.

(d) Disbursement of Retiree Health Care Trust Fund Assets

(1) In order to ensure a long-term and sustainable funding source to defray the cost of each Employer's the City's obligation to pay for health coverage for retired persons and their survivors entitled to health coverage under Section A8.428, the Board may authorize No disbursements from the City's sub-trust, other than disbursements to defray the reasonable expenses of administering the RHCTF, only during periods when the City's GASB Actuary has determined that the City's sub-trust is Fully Funded may be made from the trust prior to January 1, 2020. Commencing January 7, 2020, When the City's sub-trust is Fully Funded, the Board may disburse sub-trust assets may be used to defray the cost of the City's, ~~and other~~ Participating Employer's', obligations to pay for health coverage for ~~theits~~ retired persons and

their survivors entitled to health care coverage under Section A8.428. The Board shall determine the amount and frequency of such disbursements shall be determined by the Board in consultation with the Employer's respective City's GASB Actuaries.

(2) Notwithstanding Section A8.432(d)(1) above, and in order to stabilize City contributions during the transition period until the City's sub-trust is Fully Funded, when the Controller projects that total City retiree health care costs for the upcoming fiscal year will exceed ten percent (10%) of City payroll costs, and upon the recommendation of the Controller, after consultation with the City's GASB Actuary, to the Board that it make disbursements from the City's sub-trust to defray the City's retiree health care obligations under Section A8.428, and subject to approval by the Mayor and by resolution of the Board of Supervisors, the Board may authorize stabilization disbursements but only to the extent necessary to limit the City's retiree health care costs to ten percent (10%) of City payroll costs. Stabilization disbursements may not exceed ten percent (10%) of the audited prior year City sub-trust balance. For the purposes of this Section A8.432(d)(2), total City retiree health care costs shall include the City's employer contributions into the RHCTF under Section A8.432 and the City's retiree health care premium contributions under Section A8.428.

(3) Upon a recommendation of the Controller, after consultation with the City's GASB Actuary, approval of the Mayor, and approval of the Board of Supervisors by a two-thirds vote, the Board may adopt disbursement limitations different from the limitations set forth in Sections A8.432(d)(1) and A8.432(d)(2) above. The Mayor, the Board of Supervisors and the Board may approve or reject, but not alter, the Controller's recommended changes to the disbursement limitations set forth in Sections A8.432(d)(1) and A8.432(d)(2) above. Such recommended changes must effectively balance the City's goal of attaining and maintaining a Fully Funded trust with the City's overall financial obligations.

(4) For Participating Employers other than the City and County of San Francisco, the Board may not make any disbursements from a Participating Employer's sub-trust until the

Participating Employer's governing body, after consultation with the Participating Employer's GASB Actuary, has recommended to the Board by a two-thirds vote, and the Board has approved, disbursement limitations that effectively balance the Participating Employer's goal of attaining and maintaining a Fully-Funded trust against the Participating Employer's overall financial obligations.

(de) Additional Contributions to the Retiree Health Care Trust Fund

As set forth in A8.409-7 and A8.590-8, nothing in this section shall prevent the City and County of San Francisco and a recognized employee organization from agreeing to, or an arbitration panel formed pursuant to A8.409-4 or A8.590-5 from awarding, an adjustment in employee contributions into the RHCTF Retiree Health Care Trust Fund that results in contributions greater than the contributions required under A8.432 for any and all City employees. In no event shall the City and County of San Francisco and a recognized employee organization agree to, or an arbitration panel formed pursuant to A8.409-4 or A8.590-5 award, any, reduction in contributions below the minimum level of contributions required under A8.432.

(ef) Definitions:

"**Actuarial Accrued Liability**" as used in this section, means "Actuarial Accrued Liability" as that term is defined under GASB No. 45 as may be amended from time to time.

"**Commenced eEmployment on**" as used in this section, shall refer to the time an employee starts employment with the City and County, or with a Participating Employer, for the first time, or the time an employee starts employment with the City and County, or with a Participating Employer, on a subsequent occasion after a prior separation from employment with the City and County or any Participating Employer, whichever date is later.

"**Employers**" and "Employers" as used in this section means the City and County and the Participating Employers.

"Fully Funded" as used in this section means that an Employer's GASB Actuary has determined that the market value of assets in a sub-trust ~~the Retiree Health Care Trust Fund~~ equals or exceeds the Employer's Actuarial Accrued Liability.

"GASB Actuary" and "GASB Actuaries" as used in this section means the actuarial firms hired by the Employers to provide estimates of each Employers' respective total liability and annual required contribution for post retirement health benefits under GASB No. 45.

"GASB No. 45" as used in this section means Statement No. 45 of the Governmental Accounting Standards Board, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions as may be amended from time to time.

"Health coverage" as used in this section, means the health benefits or health insurance provided by the health service system for retirees, survivors and dependents under Section A8.428.

"Normal Cost" as used in this section, means ~~the each~~ Employer's normal cost under GASB No. 45 as determined by ~~the each~~ Employer's ~~respective~~ GASB Actuaries.

"Retiree" as used in this section, means a former employee who is retired and is entitled to health coverage under Section A8.428, and the qualified survivors or dependents of such retirees who are entitled to health coverage under Section A8.428.

"Participating Employers" as used in this section, and Sections A8.432-1, A8.510 and 12.204, shall include the Superior Court of California, County of San Francisco, San Francisco Unified School District and the San Francisco Community College District, following a resolution by their ~~these employers'~~ respective governing boards to participate in the Retiree Health Care Trust Fund.

(fg) Severability

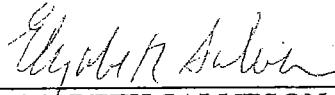
The contents of Charter Sections 12.204 or A8.432 shall supersede Any Section or part of any Section in this Charter, insofar as itsuch Section or part should conflict with the provisions of Charter Sections 12.204 or A8.432, or with any part thereof ~~shall be superseded by~~

~~the contents of Charter Sections 12.204 or A8.432.~~ Charter Sections 12.204 or A8.432 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Charter Sections 12.204 or A8.432 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of Charter Sections 12.204 or A8.432. If any words, phrases, clauses, sentences, subsections, or provisions of Charter Sections 12.204 or A8.432 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Charter Sections 12.204 or A8.432 which can be given effect. Charter Sections 12.204 or A8.432 shall be broadly construed to achieve their stated purpose.

Notwithstanding Charter Section A8.432, the Board of Supervisors shall adopt, by a majority vote ~~before January 1, 2009~~, such ordinances as are necessary to create and administer the Retiree Health Care Trust Fund, and such further ordinances~~all such other matters~~ as may be necessary to establish and maintain the purpose described in ~~this section and~~ Sections 12.204 and A8.432.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By:



ELIZABETH SALVESON
Deputy City Attorney

LEGISLATIVE DIGEST

A proposal to submit to the qualified voters of the City and County of San Francisco (City), for an election to be held on November 5, 2013, a measure amending provisions in the City's Charter to: (1) limit Retiree Health Care Trust Fund (Trust Fund) disbursements to defray participating employer retiree health care costs until employer sub-trusts are fully funded; (2) allow for disbursements from the City's sub-trust if the City's retiree health care costs are greater than ten percent (10%) of its total payroll costs even if the City's sub-trust is not fully funded; (3) permit modifications to these disbursement guidelines if recommended by the Controller in consultation with the City's Governmental Accounting Standards Board (GASB) actuary, and approved by the Mayor, two-thirds of the Board of Supervisors, and the Retiree Health Care Trust Fund Board; (4) permit a participating employer in the Trust Fund to adopt disbursement guidelines if approved by a two-thirds vote of that participating employer's governing board; and (5) make the Controller, the City Treasurer and the Executive Director of the San Francisco Employees' Retirement System (SFERS), or their designees, members of the Trust Fund Board.

[Retiree Health Care Trust Fund]

Existing Law

In January 2009, the City established the Trust Fund to pay for the City's, and other participating employers', retiree health care costs. The San Francisco Unified School District, San Francisco Superior Court, and the San Francisco Community College District are eligible to participate in the Trust Fund upon resolution by their governing boards. Currently, only the City and the San Francisco Community College District participate. Participating employer contributions are segregated into separate sub-trusts.

The Trust Fund Board administers the Trust Fund and is governed by five trustees – one appointed by the City Controller, one by the City Treasurer, one by the SFERS Executive Director, and two elected from among active employee and retired members of the City's Health Service System.

Both the City and its employees make contributions into the Trust Fund calculated as a percentage of total payroll costs. The Trust Fund Board cannot make any payments from the Trust Fund to defray participating employer retiree health care costs until January 1, 2020.

The provisions and operation of the Trust Fund, including employee contributions required by Charter, are not subject to collective bargaining dispute resolution procedures.

Amendments to Current Law

The proposed Charter amendment would limit the Trust Fund Board from making disbursements to the City to defray the City's retiree health care costs until the City's sub-trust is fully funded. The proposal, however, permits the Trust Fund Board to make disbursements from the City's sub-trust if the City's retiree health care costs are greater than ten percent (10%) of the City's total payroll costs.

The proposal permits modifications to these disbursement guidelines for the City's sub-trust if approved by the Controller, the City's GASB actuary, the Mayor, two-thirds of the Board of Supervisors and the Trust Fund Board.

The proposal permits other participating employers in the Trust Fund to adopt disbursement guidelines if approved by a two-thirds vote of that participating employer's governing board

The proposal also allows the Controller, the City Treasurer and the SFERS Executive Director to serve as Trust Fund Board members, instead of their respective appointees.

Wong, Linda (BOS)

From: Lee, Christina (CON)
Sent: Wednesday, June 19, 2013 4:21 PM
To: Yee, Norman (BOS); Cohen, Malia; Breed, London; Farrell, Mark
Cc: Wong, Linda (BOS); Prescott, Emily; Huish, Jay; Rapoport, Erik; Howard, Kate; Rosenfield, Ben; Montejano, Jess; Stevenson, Peg
Subject: Controller's cost statement for Charter Amendment - Retiree Health Care Trust Fund
Attachments: Controller Letter OPEB- Retiree Health Care Trust Fund Rules Committee 061913.doc

Supervisors,

Please find attached the Controller's cost statement for the Charter Amendment –Retiree Health Care Trust Fund measure that will be discussed in the Rules Committee tomorrow. This is the cost statement at this time and will be revised as we move forward in the process. We welcome your feedback.

Thank you,

Christina M. Lee
Office of the Controller
City & County of San Francisco
415.554.5224
christina.m.lee@sfgov.org

I am out of the office on Fridays.



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

June 19, 2013

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

RE: File 130481- Charter amendment - City Retiree Health Care Trust Fund

Dear Ms. Calvillo,

Should the proposed Charter amendment be approved by the voters, in my opinion, the City's ability to withdraw from the Retiree Health Care Trust Fund (the "Trust Fund") to offset short term budgetary costs would be limited. As a result, the Trust Fund will more rapidly accumulate a balance that, when combined with investment income and required City and employee contributions, will provide significant operating budget savings to the City in the longer term.

The City currently pays for the health care benefits of retired employees on a "pay-as-you-go" basis essentially paying for the cost of these benefits as they come due each year. These expenses currently total approximately \$150 million annually, or approximately 6 percent of payroll expenditures, but are expected to grow over time to approximately 10 percent of payroll expenses, or approximately \$250 million in current dollars.

As a sound financial management practice, employers can instead set-aside funds as retiree health benefits are earned during an employee's active career and use investment income to reduce the future budgetary cost of the provided benefits.

The most recent actuarial analysis estimates that the cost of future retiree health care costs earned by current and future retirees as of July 1, 2010 is \$4.4 billion, of which only \$3.2 million has been set-aside. As a result of previous voter-adopted Charter provisions, the City has established a Retiree Health Care Trust Fund into which both the City and employees are required to contribute funds as retiree health care benefits are earned. Currently, these Trust deposits are only required on behalf of employees hired after 2009, and are therefore limited, but will grow as the workforce retires and this requirement is extended to all employees in 2016. While no withdrawals are currently permitted from the Trust Fund until 2020, ensuring that the balance will grow until that time, no such prohibitions are in place following that date.

The proposed Charter measure prohibits withdrawals from the Trust Fund following 2020 until sufficient funds are set-aside to equal future retiree health care costs, as determined by an actuarial study. Limited withdrawals prior to accumulating sufficient funds are permitted if City retiree health care costs rise above 10 percent of payroll expenses, with these withdrawals limited to no more than 10 percent of the Trust Fund balance. The City's external actuary has estimated that given these provisions, the Trust Fund will be fully-funded in approximately 30 years, at which time City costs will decline to approximately 2 percent of payroll expenses, or approximately \$50 million in current

dollars. These projections are dependent on assumptions of future medical inflation, investment returns, and other future trends, which will likely differ from those assumed. Higher rates of medical inflation or lower rates of investment returns will delay the shift to a fully-funded plan. The proposed Charter measure allows for revisions to these funding limitations and requirements on the recommendation of the Controller and an external actuary, and if approved by the Retiree Health Care Trust Fund Board, 2/3rds of the Board of Supervisors, and the Mayor.

The proposed Charter measure also (1) further clarifies the required segregation of moneys within the Trust Fund for other participating employers, (2) limits withdrawals from these sub-trusts by other participating government employers until their governing board has adopted a funding strategy by a 2/3rds vote, and (2) allows the Treasurer, Controller, and General Manager of the Retirement System to serve on the Trust Fund Board, rather than appoint members to the Board.

Sincerely,

Ben Rosenfield
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.

From: Board of Supervisors
To: BOS-Supervisors
Subject: For distribution to entire BOS
Attachments: FarrellHealthCharter.docx

From: Denise LaPointe [<mailto:denise@lapointeassociates.com>]
Sent: Thursday, May 30, 2013 2:28 PM
To: Board of Supervisors
Subject: For distribution to entire BOS

To Whom it May Concern:

On behalf of Larry Barsetti, please distribute his letter to Supervisor Farrell to the entire Board of Supervisors.

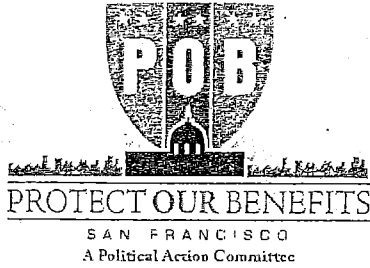
Thank you for your time and attention.

Sincerely,

Denise LaPointe

Denise M. LaPointe
LaPointe and Associates
290 Twin Peaks Boulevard
San Francisco, California 94114

ph: 415-665-4346
fax: 415-665-4347
denise@lapointeassociates.com



PO Box 320057
San Francisco, CA 94132

*Dedicated to Protecting,
Preserving and Enhancing the
Benefits of San Francisco
Retired Employees.*

May 23, 2013

The Honorable Mark Farrell
Member, Board of Supervisors, District 2
City and County of San Francisco
1 Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Supervisor Farrell,

Thank you once again for taking the time to meet with, and informing, us of the details of your proposed ballot measure on unfunded Health Service System liabilities. Our May 17, 2013 meeting was extremely gratifying to us as you made it abundantly clear from the start that you were concerned for the best interests of retirees as well as recognizing that retiree support was critical to passage of your charter change draft proposal.

Vice-Chair Sharon Johnson, Committee Member Herb Weiner and I couldn't help but feel excited about your remedy to the political problem created by the GASB reporting standards regarding city provided retiree health care. We also thank you for making yourself available to us over the weekend to clarify and fully explain your draft proposal. You made it much easier for our committee to finally endorse your proposal.

During the meeting, and in telephone communications with committee members after, you made it clear that you would keep our committee in the loop and advise us of any changes proposed by other members of the Board of Supervisors. We want to make it clear that we will support the charter change *as it is presently written* and will withdraw support if changes are made that adversely affect retirees.

Again, thank you for listening to our concerns and keeping those concerns in mind while drafting the charter change draft proposal.

Respectfully,

Larry P. Barsetti
Chair, Protect Our Benefits

C-PAGES
BOS-11
FILE # 130481

From: Board of Supervisors
To: BOS-Supervisors
Subject: Full Protection of Benefits for Retirees

From: MARK [<mailto:jamzenski@gmail.com>]
Sent: Friday, June 28, 2013 12:34 PM
To: Board of Supervisors
Cc: reccsf@ntt.net
Subject: Full Protection of Benefits for Retirees

Dear Clerk of the Board:

I am emailing you to share my concerns, that the Board of Supervisors for SF continue to honor its prior contractual obligations with City retirees. I do support, along with the POB organization, Supervisor Farrell's proposed charter amendment, only as written as of May 20 2013.

I am a retired City Employee (32.5 years, in a variety of Departments and in a variety of capacities – Health, SFUSD, MTA, PUC). We retirees served the City and its citizens diligently, for many years. The BOS should neither remove or abrogate earned, promised remuneration, for those whose careers are over, and whose contributions are complete. That would be absolutely unfair. To attack our retiree benefits to compensate for poor political and administrative/management decisions of your prior peers, is unfair and disingenuous.

Please do not penalize those who have left City service, for the malfeasance, poor direction, and reprehensible budget/decision making, that has occurred, in the past, from time to time, at the policy level. (This is not to say that all such decision making was and is always flawed - that isn't what I'm saying). Please do not blame or apply retribution for the mistakes of your past policy level peers, on those who did not have a choice in this process, and who served the City well and diligently. If you must make adjustments, do so, going forward, with better budget decision making, and sound application of common sense.

Also, please consider a tighter reorganization of City functionality – reducing the number of extraneous Commissions, or combining them more appropriately (do we really need Commissions on Aging, Status of Women, and Children? As a progressive, I understand the focus here, but organizationally think it achievable in a leaner fashion). Couldn't one Human Services Commission provide oversight?

Additionally, you might consider more thorough training and application of best business practices, early on, for all employees, including managers (and all elected officials, too). Yes, there are costs, but the benefits obtained downstream warrant consideration. One area that I found woefully inadequate, throughout my career, was the level of training and organizational integration, afforded employees (at any time, during their careers; and utterly inadequate as new employee orientation).

Perhaps such training could occur, in advance, through City College, for potential future public servants, or through matriculation of current SF employees. Perhaps with a programmatic approach, Ca State reimbursement might be viable for funding.

Governance, which provides for a wide array of services does not have the option of focusing narrowly, in comparison, let's say, to private sector manufacturing. So, adequate training becomes requisite – and shouldn't be an afterthought, as it was throughout my career in Civil Service.

Adequate pedagogy required consistent curriculum, and professional instruction. The City has failed at configuration control – developing a compendium of written procedures, reviewed and updated by diverse City professionals, continually, over time, which would be the core of all City and Departmental activities – and by which one manages, trains employee, and implements and evaluates work – where employees could offer up amended procedures, considered by a overarching review groups (FYI, there was a nascent effort in this regard at Muni, under the aegis of the Safety Dept – though it was mostly ignored and avoided by MTA policy makers and leadership, despite the state PUC mandate; interestingly, had the utility PG&E had adequate configuration control, they might have avoided the San Bruno disaster, as well – I add this thought for emphasis).

Feel free to follow up with me on these notions, if you would like, but don't try to mitigate poor decision making and budgeting problems on the backs of those who already gave their all. Thanks you for your consideration of these words.

Sincerely

Mark Goldstein, retired MTA ('10)

Cell; 925-330-6929

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee.
An ordinance, resolution, motion, or charter amendment.
- 2. Request for next printed agenda without reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No: [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Request for Closed Session (attach written motion).
- 10. Board to Sit as A Committee of the Whole.
- 11. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative

Sponsor(s):

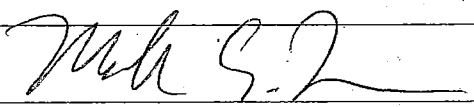
Supervisor Mark E. Farrell

Subject:

Charter amendment to solve San Francisco's \$4.4 billion unfunded retiree healthcare liability.

The text is listed below or attached:

Attached.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only:

130481