

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Supervisor Bob Buster

SUBMITTAL DATE: June 2, 2009

SUBJECT: Transparency and Review of RSA Health Benefits Trust

RECOMMENDED MOTION: That the Board of Supervisors:

Request RSA provide the information needed to evaluate the financial condition of the trust, as detailed in the May 19th letter to RSA from the Human Resources Director, and request the Executive Office and the Pension Advisory Review Committee (PARC) conduct a review of the trust and return to the Board with any recommendations for improvement.

BACKGROUND: In recent years the County has taken important steps to define, anticipate and manage its present and future pension and retiree benefit obligations and liabilities. The RSA Health Benefits Trust is no different. The County would be liable to maintain deputy sheriffs' health coverage if the trust cannot. Ventura County found that out in years past when its Sheriff's union health trust became insolvent. With today's unprecedented nationwide market losses, many formerly well-regarded public funds are in trouble. The Board clearly has a responsibility now to the public and to present and future covered employees to review the trust and to closely monitor it in the years ahead. The County currently pays almost \$18.5 million dollars annually into the trust. With jail expansions and the hiring of more correctional deputies, the health trust will continue to grow.



BOB BUSTER
1st District Supervisor



COUNTY OF
Riverside
HUMAN RESOURCES
Winner IPMA Award for Excellence

County Administrative Center
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RONALD W. KOMERS, IPMA-CP
ASST. COUNTY EXECUTIVE OFFICER
HUMAN RESOURCES DIRECTOR

BARBARA A. OLIVIER, SPHR
ASST. HUMAN RESOURCES DIRECTOR

May 19, 2009

James J. Cunningham, Executive Director
Riverside Sheriffs' Association Benefit Trust
5361 Latham Street, Suite 240
Riverside CA 92502

RE: Riverside Sheriffs' Association Benefit Trust

Dear Mr. Cunningham:

Article XVI (2) of the Memorandum of Understanding between the Riverside Sheriffs' Association (RSA) and the County of Riverside documents the agreement between the two entities to provide health benefits for members of the RSA bargaining unit through a medical benefits trust (Trust) administered solely by trustees appointed by RSA.

As part of a due diligence review process to ensure that County contributions are appropriately funding employee health insurance coverage, and pursuant to section VI (C) of the Trust Agreement of the Riverside Sheriffs' Association please provide the following information:


1. Financial statements of the Trust (audited where currently available) for Calendar Years 2007, 2008 and Year-to-Date for 2009. These reports should include:
 - a) Statement of Income and Expenses
 - b) Asset and Liability Statement

In addition, please provide the following information for each period (2007 – 2009):

1. Trust investment fund performance
2. Average account balance
3. Detailed accounting of contributions and benefits paid
4. Health Plan premium amounts
5. Contribution Trust makes towards Participant health monthly premium payments
6. Number of Active County of Riverside employees receiving benefits from the Trust
7. Number of County of Riverside retirees receiving benefits from the Trust

Please provide this documentation by Tuesday May 26, 2009. If you have questions concerning this request, please contact Shawn Atin at (951) 955-3557.

Sincerely,


Ronald W. Komers
Assistant County Executive Officer /
Human Resources Director

cc: Board of Supervisors
Bill Luna, County Executive Officer