



City and County of San Francisco  
Employees' Retirement System

**RETIREMENT BOARD  
FINANCE COMMITTEE MINUTES**

---

**Wednesday, January 16, 2013**

30 Van Ness Avenue, Suite 3000  
San Francisco, CA 94102

2:00 P.M.

**MISSION STATEMENT**

*San Francisco City and County Employees' Retirement System is Dedicated to Securing, Protecting and Prudently Investing the Pension Trust Assets, Administering Mandated Benefit Programs, and Providing Promised Benefits.*

**FINANCE COMMITTEE MEMBERS**

*Commissioners*

Malia Cohen

Victor Makras

Herb Meiberger (Chair)

Jay Huish

*Executive Director*

DISABILITY ACCESS

The San Francisco Employees' Retirement System is wheelchair accessible. Accessible seating is available for persons with disabilities. To obtain a disability-related modification or accommodation, including large print agendas, American Sign Language interpreters, FM sound amplification system and auxiliary aids or services, please contact Norman Nickens at (415) 487-7025 at least two (2) business days before the meeting.

There is accessible parking in the vicinity of 30 Van Ness at Civic Center Plaza. Accessible **MUNI** lines are available at the corner of Market Street and Van Ness Avenue. The closest accessible **BART** station is Civic Center Station.

All materials to be considered or acted upon by the Board shall be available for public review 24 hours prior to the Board meeting. For additional information, please contact Norman Nickens, Executive Assistant at (415) 487-7025.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, 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 to accommodate these individuals.

**The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.**

Know 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 THE SUNSHINE ORDINANCE TASK FORCE.

Frank Darby, Administrator  
Sunshine Ordinance Task Force  
City Hall  
1 Dr Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689  
(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 Mr. Darby or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, <http://www.sfgov.org/sunshine/>**

If any materials related to an item on this agenda have been distributed to the Retirement Board (or committee) after distribution of the agenda packet, those materials are available for public inspection at SFERS, 30 Van Ness Avenue, Suite 3000 during normal office hours.

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 (San Francisco Campaign and Governmental Conduct Code sections 2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102, telephone (415) 252-3100, fax (415) 252-3112 and web site: [www.sfgov.org/ethics](http://www.sfgov.org/ethics)

Pledge of Allegiance

Roll Call:

Commissioner Cohen	Absent
Commissioner Meiberger	2:00 PM
Commissioner Makras	2:00 PM

Public Comment: Commissioner Meiberger reviewed the procedures for public comment. There were no comments from the public.

01162013-01 Action Item **Approval of the Minutes of the December 19, 2012 Finance Committee Meeting**

Documents provided to the Board prior to the current meeting: Draft Minutes

Action: Moved by Commissioner Makras, Seconded by Commissioner Meiberger to Approve the Minutes of the January 18, 2012 Finance Committee Meeting

Action: Approved by the following vote:

Ayes: Makras, Meiberger  
Absent: Cohen

01162013-02 Discussion Item **Presentation of Draft FY 2013-14 SFERS Budget**

Documents provided to the Board prior to the current meeting: Draft FY 2013-13 SFERS Budget

Jay Huish, Executive Director, presented an oral and written report on this item.

Mr. Huish noted that the Budget had been presented to the Board for initial review at the January 9, 2013 Board meeting and would be presented for final adoption at the February 13, 2013 Board meeting.

Mr. Huish noted that the Board of Supervisors had previously approved a two-year budget, and a revised budget with two new positions (one in Human Resources to assist in recruitment and filling vacant positions, and a new risk position in Investment ) was being presented for the second year. Total funded SFERS staff would increase from 98 to 100.

Mr. Huish reported on the status of vacant investment positions. Commissioner Makras spoke in support of adequate staffing for the investment division to pursue due diligence and investment opportunities in a timely manner.

Commissioner Makras recommended the development of additional two senior analyst Investment positions, based on full implementation of the McLagan report. Mr. Huish agreed to the recommendation.

Based on the Committee's discussion, Staff will explore changes to the recaptured commission budget in the next budget cycle.

The Committee discussed the process for having the budget reviewed by the Board of Supervisors Budget Analyst.

Commissioner Meiberger confirmed that funding is available for the position of Actuarial Services Coordinator. Mr. Huish noted that the Personnel Committee would be considering candidates for the position in a few weeks.

The Committee discussed the Board's consulting contracts, their scope of work, and which items are included in their budget (such as travel and printing costs).

Commissioner Meiberger requested additional information on recent securities litigation and settlements in which SFERS was a party. Caryn Bortnick, Deputy City Attorney, reviewed the process for monitoring securities litigation and verification of settlement receipt by staff, Northern Trust, and consultants. Mr. Huish recommended that this be considered as an educational item at a future Investment Committee meeting, and that an RFP for securities litigation be issued.

Commissioner Makras discussed the appropriate level of funding for IT support for staff and participants. Mr. Huish noted that SFERS replaces servers every three years, software is updated on a regular basis, and a review and redesign of the web site is currently in progress. Funding has been carried forward in the budget to support projects currently underway.

Commissioner Makras requested additional information on the number of disability applications processed on an annual basis. Mr. Huish agreed to provide the information. Mr. Huish and Ms. Bortnick reviewed the Hearing Officer process for the Committee.

The Committee discussed proposed changes to the Investment staff work area, including the building out of new cubicles.

The Committee recommended that the draft budget be forwarded to the full Board for approval.

Action: This was a discussion only item

01162013-03

Adjournment:

There being no further business, the Board adjourned its meeting at 3:35 PM.

Respectfully submitted,

Jay Huish,  
Executive Director