San Francisco
Employees' Retirement System

RETIREMENT BOARD MEETING CALENDAR

Wednesday, February 10, 2016

1145 Market Street, 6th Floor
San Francisco, CA 94103

1:00 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.

RETIREMENT BOARD MEMBERS

President
Malia Cohen

Vice President
Herb Meiberger, CFA

Commissioners
Leona Bridges

Joseph Driscoll

Victor Makras

Wendy Paskin-Jordan

Brian Stansbury

Jay Huish
Executive Director

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(Chapter 67 of the San Francisco Administrative Code)

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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

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OPENING CALENDAR

1. **Pledge of Allegiance**

2. **Roll Call**

CLOSED SESSION

3. **021016-03 Action Item Closed Session.**

   Public comment, including on whether the Retirement Board should go into closed session.

   Enter closed session

   Recommendations and Possible Action on Sales and Purchases of Particular, Specific Pension Fund Investments under California Government Code Section 54956.81
   (5 investment recommendations) (Discussion and Possible Action)

   Return to open session.

   Vote whether to disclose discussions held in closed session under San Francisco Administrative Code Section 67.12(a) (Action).

4. **021016-04 General Public Comment - Time Certain Item 2:30 PM**

   PUBLIC COMMENT PROCEDURES: During general public comment, members of the public shall have an opportunity to directly address the Retirement Board on items of interest to the public that are within the subject matter jurisdiction of the Retirement Board. In addition, members of the public will have an opportunity to speak on each item on the agenda when public comment is called for that item. Members of the public wishing to comment on a matter not on the agenda today may address the Retirement Board now. Public comment is limited to 3 minutes per speaker, unless the Chair specifies a different time. Members of the public who wish to provide public comment are encouraged to complete a speaker card for each agenda item for which they intend to address the Retirement Board and return the card(s) to the Commission Secretary prior to the consideration of that agenda item.

5. **021016-05 Action Item Approval of the Minutes of the January 20, 2016 Special Retirement Board Meeting**

   Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the January 20, 2016 Special Retirement Board Meeting

   Action: Approve Minutes of the January 20, 2016 Special Retirement Board Meeting, or take other action on the minutes.

CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Retirement Board. There will be no separate discussion of these items unless a member of the Retirement Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

6.	**021016-06a**	**Action Item**	**Consent Calendar**
	021016-06b	**Action Item**	**Voluntary Retirement Board List No. 8-15**
	021016-06c	**Action Item**	**Decisions of Hearing Officers**
	Janice L. Burton Effective Date: 12/1/14	9163 Transit Operator MTA	Ordinary Disability Retirement Denied
	Ana Castro Effective Date: 5/1/15	1428 Unit Clerk DPH-SFGH	Ordinary Disability Retirement Granted
	Alonzo E. Fontenot Effective Date: 8/1/15	9163 Transit Operator MTA	Ordinary Disability Retirement Granted
	Eddy Ortega Effective Date: 5/1/14	2736 Porter DPH-SFGH	Ordinary Disability Retirement Granted
	Karen E. Sadberry Effective Date: PERS	8444 Deputy Probation Officer Juvenile Probation	CAL-PERS - Disability Retirement Granted
	Ruben Smith Effective Date: 10/1/15	7514 General Laborer Public Works	Ordinary Disability Retirement Granted
	021016-06d	**Action Item**	**Travel Requests**

Request Travel Approval for Wendy Paskin-Jordan to attend the SALT Conference, May 10-13, 2016, Las Vegas, NV.

Request Travel Approval for Commissioner Brian Stansbury to attend the Wharton Executive Education's Investment Strategies and Portfolio Management Program, May 16, 2016, Philadelphia, PA.

Documents provided to the Retirement Board prior to the current meeting: Voluntary Retirement Board List, Hearing Officer Decisions, Agendas

Action: Approve Consent Calendar.

INVESTMENT CALENDAR

7. **021016-07** **Discussion Item** **Investment Committee Report**

Documents provided to the Retirement Board prior to the current meeting: Investment Committee Report

Action: This is a discussion only item.

8. **021016-08** **Discussion Item** **Proxy Voting Report for Calendar Year 2015**

Documents provided to the Retirement Board prior to the current meeting: Staff memorandum and proxy voting report from ISS

Action: This is a discussion only item.

9. **021016-09** **Action Item** **Review and Approval of Proxy Voting Policies for Calendar Year 2016**

Documents provided to the Retirement Board prior to the current meeting: Staff memorandum and draft proxy voting policies.

Action: Approve Proxy Voting Policies for Calendar Year 2016

10. **021016-10** **Chief Investment Officer Report**

a. Chief Investment Officer Report (Discussion Item)

Documents provided to the Retirement Board prior to the current meeting: CIO Report
Report by the Chief Investment Officer on recent events and developments in the Investment Division and in the economy and capital markets, including but not limited to:

- Investment Returns;
- Recent Equity Returns and Economic Conditions;
- Closed Session investment in DFJ Venture XII, L.P.;
- Closed Session investment in Hillhouse Fund III, L.P.;
- Closed Session investment in HSI Real Estate V;
- Report on Recent Hires;
- Initiatives for Recent Hires; and,
- Next month's CIO Report

This is a discussion only item.

b. Possible Action of Pending Proxies (Action Item)

Action: Possible action on pending proxies.

DEFERRED COMPENSATION PLAN CALENDAR

11. 021016-11 Discussion Item SFDCP Manager Report

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum and Report

Report by the Deferred Compensation Plan Manager on recent events and developments regarding the SFDCP, including but not limited to:

- Monthly manager report

Action: This is a discussion only item.

ADMINISTRATION CALENDAR

12. 021016-12 Discussion Item Governance Committee Report

Documents provided to the Retirement Board prior to the current meeting: Governance Committee Report

Action: This is a discussion only item.

13. 021016-13 Action Item Board Performance Evaluation Policy – Consideration of Third Party Performance Evaluation by a Qualified Independent Expert

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum

Action: Authorize staff to identify and recommend to the Board, through the Governance Committee, a qualified independent expert to conduct a third party performance evaluation of the Retirement Board, or take other action under the Board Performance Evaluation Policy.

14. 021016-14 Action Item Review and Approval of Terms of Reference for the Environment, Social and Governance (ESG) Committee

Documents provided to the Retirement Board prior to the current meeting: Draft Terms of Reference for the Environment, Social and Governance (ESG) Committee

Action: Approve Terms of Reference for the Environment, Social and Governance (ESG) Committee, or take other actions on the Terms of Reference.

15. **021016-15** **Discussion Item** **Finance Committee Report**

Documents provided to the Retirement Board prior to the current meeting: Finance Committee Report

Action: This is a discussion only item.

16. **021016-16** **Action Item** **Review and Approval of Department Budget for FY 2016-17 and 2017-18**

Documents provided to the Retirement Board prior to the current meeting: Department Budget for FY 2016-17 and 2017-18

Action: Approve Department Budget for FY 2016-17 and 2017-18, or take other action on the proposed Budget.

17. **021016-17** **Action Item** **Review and Approval of Department Annual Report for Fiscal Year Ended June 30, 2015**

Documents provided to the Retirement Board prior to the current meeting: Draft Annual Report

Action: Approve Department Annual Report for Fiscal Year Ended June 30, 2015, or take other action on the Annual Report.

18. **021016-18** **Action Item** **Review and Approval of a Two Percent (2%) Basic Cost Of Living Adjustment under Charter A8.526-2 Effective July 1, 2016**

Documents provided to the Retirement Board prior to the current meeting: Staff memorandum and report

Action: Approve a cost of living adjustment (Basic COLA) of 2% under Charter A8.526-2, payable effective July 1, 2016 for all qualified SFERS retirees who retired prior to July 2, 2016.

19. **021016-19** **Action Item** **Determination and Approval of Continued Four Percent (4%) Credited Interest Rate for Fiscal Year 2016-2017**

Documents provided to the Retirement Board prior to the current meeting: Staff memorandum and Credited Interest Rate Policy

Action: Accept the credited interest rate analysis and approve no adjustment in the Plan's current 4% credited interest rate effective July 1, 2016.

20. **021016-20** **Action Item** **Review and Adoption of July 1, 2015 Funding Valuation Report**

Documents provided to the Retirement Board prior to the current meeting: Staff memorandum and Valuation

Action: Adopt July 1, 2015 Funding Valuation Report.

21. **021016-21** **Action Item** **Adoption of Employer Contribution Rate of 21.40% for Fiscal Year 2016-2017**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum

Action: Move to Adopt Employer Contribution Rate of 21.40% for Fiscal Year 2016-2017.

22. **021016-22** **Discussion Item** **Executive Director's Report**

Documents provided to the Retirement Board prior to the current meeting: Executive Director's Report.

Report by the Executive Director on recent events and developments regarding SFERS, including but not limited to:

- LIST TOPICS FROM ED REPORT

Attachments for Informational Purposes:

- The Cortex Report of Educational Opportunities
- Blackout Period List
- Forward Calendar

Action: This is a discussion only item.

23. **021016-23** **Discussion Item** **Retirement Board Member Good of the Order**

Retirement Board members may request that any matter be calendared. All such requests shall be calendared in a reasonable time. (Board Operations Policy ¶24.) The Board will not discuss any items requested to be calendared until a subsequent meeting when the matter is included on the agenda with the required public notice.

24. 021016-24 Discussion Item Retirement Board Member Reports and Comments

Documents provided to the Retirement Board prior to the current meeting: None

A**ction:** This is a discussion only item.

25. 021016-25 Discussion Closed Session

Public comment on closed session, including on whether the Retirement Board should assert the attorney client privilege and whether the Board should go into closed session.

Vote whether to assert the attorney client privilege for item (b) and enter closed session.

Enter closed session

(a) Possible continuation, if necessary, of closed session item #3 above, Recommendations and Possible Action on Sales or Purchases of Particular, Specific Pension Fund Investments under California Government Code Section 54956.81 (5 investment recommendations) (Discussion and Possible Action).

(b) Conference with Legal Counsel under Government Code Section 54956.9(d)(1) and San Francisco Administrative Code Section 67.10(d)(1) – Existing litigation: Protect Our Benefits v. City and County of San Francisco, San Francisco Superior Court Case No. CPF-13-512788 (Filed February 25, 2015); and under Government Code Section 54956.9(d)(2) and San Francisco Administrative Code Section 67.10(d)(2): Anticipated litigation as defendant (Discussion and Possible Action).

Return to open session.

Vote whether to disclose discussions held in closed session under San Francisco Administrative Code Section 67.12(a) (Action).

26. 021016-26 Adjournment