SFERS
San Francisco Employees' Retirement System

City and County of San Francisco
Employees' Retirement System

RETIREMENT BOARD

MEETING CALENDAR

Wednesday, September 12, 2018

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

1:00 p.m.

Please take notice that the Retirement Board will begin its meeting with a closed session item. The Board will take public comment before going into closed session, limited to the topic of the closed session item. The Board will return to open session and begin the public portion of the meeting with General Public Comment, not earlier than 3:00 PM.

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
Brian Stansbury

Vice President
Wendy Paskin-Jordan

Commissioners
Leona Bridges

Carmen Chu

Al Casciato

Joseph Driscoll

Ahsha Safai

Executive Director
Jay Huish

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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 94103-4689
(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**

3. **091218-03** **Action Item** **CLOSED SESSION**

Public comment.

Possible Recommendation and/or Action on Sale and Purchase of Particular, Specific Pension Fund Investment under California Government Code Section 54956.81 (7 investments).

Enter closed session.

Return to open session.

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

4. **091218-04** **General Public Comment - Not earlier than 3:00 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 and not on the agenda. 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 2 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. **091218-05** **Action Item** **Approval of the Minutes of the August 8, 2018 Meeting**

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the August 8, 2018 Retirement Board Meeting

Action: Approve Minutes of the August 8, 2018 Retirement Board Meeting.

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. 091218-06a	**Action Item**	**Consent Calendar**
091218-06b	**Action Item**	**Voluntary Retirement Board List No. 3-18**
091218-06c	**Action Item**	**Decisions of Hearing Officers**
Ilma Batres Effective Date: 12/19/15	**2913 Program Specialist DPH-LHH**	**Ordinary Disability Retirement Granted**
Elena Cahill Effective Date: 7/1/16	**Q4 Police Officer III Police**	**Industrial Disability Retirement Granted**
Joseph K. Crittle Effective Date: PERS	**8304 Deputy Sheriff Sheriff**	**Cal-PERS - Disability Retirement Certified**
Malcolm S. Fong Effective Date: 12/29/15	**Q4 Police Officer III Police**	**Industrial Disability Retirement Granted**
Lenard Liu Effective Date: 2/1/17	**2708 Custodian SFUSD**	**Ordinary Disability Retirement Granted**
Mark E. Morrison Effective Date: PERS	**8304 Deputy Sheriff Sheriff**	**Cal-PERS - Disability Retirement Certified**
Maria S. Pavia Effective Date: 2/16/17	**3417 Gardener Airport**	**Ordinary Disability Retirement Granted**
Mary Ann Rodriguez Effective Date: TBD	**Q2 Police Officer Police**	**Industrial Disability Retirement Denied**
091218-06d	**Action Item**	**Travel Requests**

Request travel approval for Commissioner Joseph Driscoll to attend PRI in Person, September 12-14, 2018, San Francisco, CA.

Request travel approval for Commissioner Joseph Driscoll to attend Nossaman's 2018 Public Pensions and Investments Fiduciaries' Forum, October 8-9, 2018, San Francisco, CA.

Request travel approval for Commissioner Wendy Paskin-Jordan to attend the 2018 Executive Seminar, Australia: Building a Diverse Economy for Sustainable Growth, October 14-16, 2018, Melbourne, Australia and the 2018 Asia Pacific Roundtable, The Asia-Pacific's Opportunity in an Evolving International Order, October 17-19, 2018, Sydney, Australia.

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

Action: Approve Consent Calendar.

INVESTMENT CALENDAR

7. 091218-07 Discussion Item Report on the Investment Performance of the Retirement Fund for the Quarter ended June 30, 2018

Documents provided to the Retirement Board prior to the current meeting: Staff and Consultants Memoranda

Action: This is a discussion only item.

8. 091218-08 Discussion Item Report on Managers Under Review

Documents provided to the Retirement Board prior to the current meeting: Staff and Consultants Memoranda

Action: This was a discussion only item.

9. 091218-09 Action Item Divestiture of Tobacco Companies: Level III of SFERS Social Investment Procedures

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

Action: Move that the San Francisco Employees' Retirement System maintain the current policy with respect to divestment from U.S. Tobacco companies and approve the list of restricted companies as outlined in Appendix A of Staff's memorandum.

10. 091218-10 Action Item Targeted/Investment in Sudan: Level III of SFERS Social Investment Procedures

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

Action: Move that the San Francisco Employees' Retirement System update the Sudan Divestment

Criteria as presented in Attachment 1 of Staff's Memorandum which expands and clarifies the existing Sudan Divestment Criteria.

Move that the San Francisco Employees' Retirement System adopt the Sudan Divestment list presented in Attachment 2 of Staff's Memorandum which reflects the additions and removals of companies as described in Staff's Memorandum.

11. 091218-11 **Action Item** **Targeted/Investment of Firearms and Ammunition Manufacturing Companies and Retailers: Level III of SFERS Social Investment Procedures**

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

Action: Move that the San Francisco Employees' Retirement System adopt the Criteria for Divestment from Firearms and Ammunition Manufacturers and Retailers as presented in Attachment 1 of Staff's Memorandum.

Move that the San Francisco Employees' Retirement System adopt the Firearms and Ammunition Manufacturers and Retailers list presented in Attachment 2 of Staff's Memorandum which reflects the additions and removals of companies as described in Staff's Memorandum.

Move that the San Francisco Employees' Retirement System direct Staff to undertake Level II Engagement with firearms and ammunition retailers Dick's Sporting Goods, Walmart, Firstcash, Inc. and Ezcorp, Inc. as described in Staff's Memorandum.

12. 091218-12 **Action Item** **Divestiture of Thermal Coal Companies: Level III of SFERS Social Investment Procedures**

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

Action: Move that the San Francisco Employees' Retirement System adopt the Criteria for Divestment from Thermal Coal Companies as presented in Attachment 1 of Staff's Memorandum.

Move that the San Francisco Employees' Retirement System adopt the Thermal Coal Companies list presented in Attachment 2 of Staff's Memorandum which reflects the additions and removals of companies as described in Staff's Memorandum.

13. 091218-13 **Discussion Item** **Overview of Active Extension Strategies**

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

Action: This is a discussion only item.

14. 091218-14 **Discussion Item** **Chief Investment Officer Report**

Documents provided to the Retirement Board prior to the current meeting: CIO Report

Action: This is a discussion only item.

DEFERRED COMPENSATION PLAN CALENDAR

15. 091218-15 **Discussion Item** **Deferred Compensation Manager Report**

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

Action: This is a discussion only item.

ADMINISTRATION CALENDAR

16. 091218-16 **Action Item** **Approval of President's Committee Assignments (THIS ITEM WAS CONTINUED FROM THE AUGUST 8, 2018 RETIREMENT BOARD MEETING)**

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

Action: Approve President's Recommended Committee Assignments.

17. 091218-17 **Action Item** **Request to Enclose Combined Charities Campaign Correspondence in the September 2018 Retirement Allowances**

Documents provided to the Retirement Board prior to the current meeting: Combined Charities Campaign Correspondence

Action: Approve Request to Enclose Combined Charities Campaign Correspondence in the September 2018 Retirement Allowances.

18. 091218-18 **Discussion Item** **Personnel Committee Report**

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

Action: This was a discussion only item

19. 091218-19 **Action Item** **Review and Acceptance of Supplemental COLA Analysis as of July 1, 2018**

Documents provided to the Retirement Board prior to the current meeting: *Supplemental* COLA analysis as of July 1, 2018

Action: Adopt Cheiron's July 1, 2018 Supplemental COLA Analysis and direct Retirement staff to calculate and process the Supplemental COLA payable July 1, 2018.

20. 091218-20 **Action Item** **Review and Acceptance of Actuarial Audit of July 1, 2017 Actuarial Valuation**

Documents provided to the Retirement Board prior to the current meeting: Bartel Associates' presentation and report

Action: Accept Bartel Associates' Actuarial Audit Report.

21. 091218-21 **Action Item** **Review and Approval of Amendments to Securities Litigation Policy**

Documents provided to the Retirement Board prior to the current meeting: Proposed amendments to the Securities Litigation Policy

Action: Approve the amendments to the Securities Litigation Policy

22. 091218-22 **Action Item** **Review and Approval of RFP for Portfolio Monitoring and Securities Litigation Evaluation and Reporting**

Documents provided to the Retirement Board prior to the current meeting: Draft Request for Proposals

Action: Approve issuance of the Request for Proposals for Portfolio Monitoring and Securities Litigation Evaluation and Reporting Services.

23. 091218-23 **Discussion Item** **Executive Director's Report**

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

Administrative Update:

- Deferred Compensation Committee Meeting at 10:00 a.m. on Wednesday, September 19th
- Investment Committee Meeting at 1:00 p.m. on Wednesday, September 19th – Jeffrey Gundlach of DoubleLine
- **Special Board Meeting at 1:00 p.m. on Wednesday, October 3rd - regular Board calendar**
- **Board Meeting at 1:00 p.m. on Wednesday, October 10th - staff report/recommendation on fossil fuel divestment**

- 2018 Independent Audit commenced on September 4th - Macias Gini & O'Connell LLP

Attachments:

- September 2018 – September 2019 Forward Board Meeting Calendar
- Request for Proposal in Progress Blackout Period
- *Public Retirement Conferences and Training Programs for SFERS Trustees* – Nossaman LLP
- *The Cortex Report* – Conferences and Training Events listing

Action: This is a discussion only item.

24. 091218-24 Discussion Item Retirement Board Member Good of the Order

Retirement Board members may request that any matter be calendared at a future meeting. 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.

Action: This is a discussion only item.

25. 091218-25 Discussion Item Retirement Board Member Reports and Comments

Report by Commissioner Carmen Chu who attended CALAPRS Principles of Pension Management, August 27-30, 2018, Malibu, CA.

Action: This is a discussion only item.

26. 091218-26 Adjournment