



Wednesday, June 12, 2019

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 2:00 PM.

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Vice President

Vacant

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Carmen Chu

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OPENING CALENDAR

1. Pledge of Allegiance

2. Roll Call

Commissioner Leona Bridges	1:30 PM
Commissioner Al Casciato	1:30 PM
Commissioner Carmen Chu	Absent
Commissioner Driscoll	1:30 PM
Commissioner Heldfond	Absent
Commissioner Ahsha Safaí	1:30 PM
President Brian Stansbury	1:45 PM

3. 061219-03 Action Item CLOSED SESSION

President Stansbury called for public comment on the Board going into closed session.

There were no comments and public comment was closed.

The Board entered closed session at 1:35 PM

The following individuals were present for the closed session: Commissioners Bridges, Casciato, Driscoll, Safaí, Stansbury; Jay Huish, Executive Director; Caryn Bortnick, Deputy Executive Director; William J. Coaker, Chief Investment Officer; Kurt Braitberg, Managing Director, Public Markets; David Francl, Managing Director, Absolute Returns, Anna Langs, Managing Director of Asset Allocation, Risk Management, and Innovative Solutions; Tanya Kemp, Managing Director for Private Markets; Chris Chow, Director for Natural Resources; Ed Comerford, Director for Real Assets; Andrew Collins, Director of ESG Investing; Han Pham, Director Public Equity; Victoria Owens, Justin Lo, Bo Williamson, Eunice McHugh, Senior Portfolio Managers; Alo Martins, Dennis Esselsagoe, Luke Angus, Chris Terrazzano, Tiffany Dong, Cynthia Wong, Mark Coleman, Kien Trinh, Security Analysts; Jiada Tu, Investment Fellow; Karen Perez, Investment Management Assistant; Darlene Armanino, Board Secretary; Robert Bryan, Tran Ly, Molly Nordale, Deputy City Attorneys; Kelly Jensen, Anita Ng, Matthew Freeman, Cambridge Associates; Allan Martin, NEPC.

Board ended Closed Session at 2:45 PM

Meeting recessed from 2:45 PM to 3:10 PM

The Board returned to open session at 3:10 PM

Action: Moved by Commissioner Driscoll, Seconded by Commissioner Safaí, not to disclose discussions held in closed session under San Francisco Administrative Code Section 67.12(a).

Ayes: Commissioners Bridges, Casciato, Driscoll, Safaí, Stansbury
Absent: Commissioners Chu, Heldfond

4. 061219-04 General Public Comment - Not earlier than 2:00 PM

President Stansbury called for General Public Comment.

There were no comments and General Public Comment was closed.

5. 061219-05 Action Item Approval of President's Committee Assignments

Documents provided to the Retirement Board prior to the current meeting: President's Memorandum

The following committee assignments are recommended until the next President assigns new committees:

COMMITTEE	CHAIR	MEMBERS
Investment	Driscoll	Committee of the Whole
Finance	Casciato	Chu, Safai
Personnel	Driscoll	Casciato
Governance	Stansbury	Chu, Heldfond
Deferred Comp	Bridges	Driscoll, Stansbury

President Stansbury called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Casciato, Seconded by Commissioner Stansbury to approve President's Recommended Committee Assignments.

President Stansbury called Item Nos. 6 and 7 together

6. 061219-06 Action Item Election of Board President

7. 061219-07 Action Item Election of Board Vice President

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

Commissioner Casciato nominated Commissioner Driscoll as Board President and Commissioner Bridges as Vice President.

President Stansbury called for public comment.

There were no comments and public comment was closed.

Moved by Commissioner Casciato, Seconded by Commissioner Stansbury to approve Commissioner

Driscoll as Board President and Commissioner Bridges as Vice President.

Ayes: Commissioners Bridges, Casciato, Driscoll, Safaí, Stansbury

Absent: Commissioners Chu, Heldfond

8. 061219-08 Action Item Approval of the Minutes of the May 8, 2019 Meeting

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the May 8, 2019 Retirement Board Meeting

President Driscoll called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Casciato, Seconded by Commissioner Bridges to approve Minutes of the May 8, 2019 Retirement Board Meeting.

Ayes: Commissioners Bridges, Casciato, Driscoll, Safaí, Stansbury

Absent: Commissioners Chu, Heldfond

9. 061219-09 Action Item Approval of the Minutes of the May 22, 2019 Special Meeting

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the May 22, 2019 Special Retirement Board Meeting

President Driscoll called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Casciato, Seconded by Commissioner Stansbury to approve Minutes of the May 22, 2019 Special Retirement Board Meeting.

Ayes: Commissioners Bridges, Casciato, Driscoll, Safaí, Stansbury

Absent: Commissioners Chu, Heldfond

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.

10. 061219-10a	Action Item	Consent Calendar
061219-10b	Action Item	Voluntary Retirement Board List No. 12-18
061219-10c	Action Item	Decisions of Hearing Officers
Masis Azizian Effective Date: 10/14/17	9163 Transit Operator MTA	Ordinary Disability Retirement Granted
Regina L. Berrigan Effective Date: 8/26/17	Q4 Police Officer III Police	Industrial Disability Retirement Granted
Linda H. Johnston Effective Date: 5/1/19	9209 Comm. Police Services Aide Police	Ordinary Disability Retirement Granted
Mark V. Lovett (Deceased – 5/6/19) Effective Date: 2/1/19	1326 Customer Service Agent Sup. Administrative Services	Ordinary Disability Retirement Granted
Brian R. Peagler Effective Date: 4/21/18	Q52 Sergeant III Police	Industrial Disability Retirement Granted
Frances D. Rohwer Effective Date: 3/1/17	8238 Public Safety Comm. Dispatcher Emergency	Ordinary Disability Retirement Granted
Marvin Solis Effective Date: 6/2/18	9102 Transit Car Cleaner MTA	Ordinary Disability Retirement Granted
061219-10d	Action Item	Travel Requests
061219-10e	Discussion Item	Retirement Board Member Reports and Comments

Report by Commissioner Leona Bridges who attended the 2019 Milken Institute Global Conference, April 28 – May 2, 2019, Beverly Hills, CA.

Action: This is a discussion only item.

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

President Driscoll called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Casciato, Seconded by Commissioner Bridges to approve Consent Calendar.

Ayes: Commissioners Bridges, Casciato, Driscoll, Safai, Stansbury

Absent: Commissioners Chu, Heldfond

INVESTMENT CALENDAR

11. 061219-11 Action Item Recommendation to Issue a Request for Proposal (RFP) for Investment Consulting Services

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

William Coaker, Chief Investment Officer, and Kurt Braitberg, Managing Director of Public Markets, presented this recommendation.

The Retirement Board is authorized to retain investment consultants to serve as advisors to the Fund on matters related to Total Fund Investment Policy and Asset Allocation, Public Market Investing, and Performance Measurement and Reporting.

On August 15, 2013, the Retirement Board issued an RFP for investment consulting services. In July 1, 2015, NEPC was awarded a three-year contract that could be extended for up to two consecutive one-year periods. In June 2018, SFERS' contract with NEPC was extended for one year. And, in May 2019, the contract was further extended through December 31, 2019. Retirement staff recommends that in accordance with Retirement Board policy, the Board approve the issuance of a Request for Proposal (RFP) for Investment Consulting Services.

Jay Huish, Executive Director, reported that Retirement Board policy provides that this Request for Proposal be issued every five years.

President Driscoll asked staff to identify who will be scoring the RFPs. Mr. Huish stated that they will find subject matter experts and will bring back to the Board a report on the plan. President Driscoll asked that the Board is provided this information at least one month before. Commissioner Safaí requested that the subject matter experts be disclosed to the public sooner.

Mr. Huish stated that he will be able to announce who they were able to recruit and name as the subject matter experts at the July Board meeting.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

President Driscoll called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Casciato, Seconded by Commissioner Bridges to approve Staff's recommendation to issue a Request for Proposals for investment consulting services.

Ayes: Commissioners Bridges, Casciato, Driscoll, Safaí, Stansbury

Absent: Commissioners Chu, Heldfond

Commissioner Safaí left Board Room at 3:25 PM

12. 061219-12 Action Item Update to SFERS Proxy Voting Guidelines

Documents provided to the Retirement Board prior to the current meeting: Staff and Consultant memoranda

Andrew Collins, Director of ESG Investing, announced at its March 13, 2019 meeting, the Retirement Board approved Staff's recommendation to appoint Glass Lewis & Co. ("Glass Lewis") as the Proxy Voting Services Consultant. Staff has been in the process of transferring SFERS' proxy voting activities from the current provider to Glass Lewis.

Due to differences in certain underlying definitions and policies employed by Glass Lewis in making voting recommendations to SFERS based on SFERS' Proxy Voting Guidelines ("Guidelines"), Staff recommends several updates to the Guidelines. The recommended updates do not materially change the Guidelines themselves but will allow for Glass Lewis to apply them appropriately.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Commissioner Driscoll asked staff to put changes in red to easily identify changes.

President Driscoll called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Casciato, Seconded by Commissioner Stansbury that the San Francisco Employees' Retirement System approve the amended Proxy Voting guidelines for 2019.

Ayes: Commissioners Bridges, Casciato, Driscoll, Stansbury

Absent: Commissioners Chu, Heldfond, Safai

**13. 061219-13 Discussion Item Report on Investment Performance of the Retirement Fund
for the Quarter Ended March 31, 2019**

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

Allan Martin, NEPC presented an oral and written report on this item.

For the quarter ended March 31, 2019, the Retirement Fund was valued at \$25.3 Billion. The net of fee total returns for the quarter and the trailing one-year were 6.2% and 6.4%, respectively. NEPC's Investment Performance Analysis provides a detailed review of the market environment as well as risk and return information at the Total Fund, Asset Class, and Investment Manager levels.

SFERS investment in private credit funds (\$628 million) collectively returned 0.62% during the quarter. Over the past 5 years, the private credit portfolio has returned 8.97%.

SFERS Real Assets portfolio (\$4.1 billion) returned 1.37% during the quarter, ahead of its Policy Index (-2.75%) by 412 basis points. Returns for both segments of Real Assets, Real Estate (+2.84%) and Natural Resources (-1.47%), beat the Policy Index return.

Private Equity (\$5.0 billion) advanced 0.32% in the quarter, trailing the 75% Russell 3000 / 25% MSCI ACWI Ex US +300 bps Index, which returned 13.91%. Mr. Martin noted that this benchmark is less useful for short term periods than for longer periods (> 7 years).

SFERS' Venture Capital assets (36.1% of private equity) led Private Equity assets, gaining 3.36% for the three-month time-period. Growth Capital (25.0%), Buyouts (32.5%), and Special Situations (4.2%) followed with returns of -0.33%, -2.26%, and -2.59%, respectively.

SFERS' Absolute Return portfolio returned 3.62% during the quarter, beating its policy benchmark (90-day T-bills + 5%) by 179 bps. Absolute Return has outperformed the HFRI Fund of Funds Composite Index over the Fiscal YTD, 1-year and since inception time-periods.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

President Driscoll asked staff to come back with information on bond operation in China and how it is doing.

President Driscoll called for public comment.

There were no comments and public comment was closed.

Action: This was a discussion only item.

14. 061219-14 Discussion Item Report on Managers Under Review

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

Kurt Braitberg, Managing Director, reported that the purpose of the Manager Monitoring and Retention Policy is to establish general guidelines for monitoring investment manager effectiveness and identifying issues of concern and to provide a systematic and consistent process for the Staff and the General Consultant to employ when making decisions and recommendations to the Retirement Board concerning manager retention and evaluation. Managers who are placed "Under Review" are not eligible for additional funding and may also be subject to asset reductions.

Managers added to the "Under Review" List:

PIMCO Emerging Market Debt was added to the list for organizational/personnel reasons. The lead portfolio manager / head of the EM team is planning to take a six-month sabbatical from the firm beginning July 1, 2019.

Managers removed from the "Under Review" List:

DFA International Small Cap was removed from the list as the Board approved its termination at the March 2019 meeting.

William Blair International Developed was removed from the list as the manager is in the process of winding down the strategy and is returning assets to SFERS.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Commissioner Stansbury asked staff which manager has been on the "Under Review" list the longest. Mr. Braitberg responded that Oak Tree has been on the list the longest.

President Driscoll called for public comment.

There were no comments and public comment was closed.

Action: This was a discussion only item.

15. 061219-15 Discussion Item NEPC 2019 Capital Market Assumptions

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

Anna Langs, Managing Director, Asset Allocation, Risk Management, Innovative Solutions, Allan Martin and Dan Hennessy, NEPC, provided an oral and written report on this item.

NEPC presented updates to capital market assumptions for the asset classes specific to SFERS

allocation. In addition, NEPC explained the refinements and enhancements to their asset allocation process.

NEPC asset class assumptions offer both an intermediate (5-7 years) and long term (30 years) forecast horizon. NEPC updated November 30, 2018 market data with December 31, 2018 market data for inputs to its asset class models.

Return expectations for credit asset classes are broadly higher relative to last year due to expected interest rate increases and wider credit spreads. Despite the increase in return expectations, NEPC encouraged caution when investing in lower-quality credit exposure as they expect default rates to trend higher in the current late-cycle market environment.

US equity return expectations increased relative to last year following a sizable correction in the fourth quarter of 2018. NEPC's outlook for international developed equities is less optimistic than prior years, resulting in a significantly lower 5-7 year return expectation.

NEPC reported that new asset class assumptions were added this year to provide greater differentiation in credit, including investment and speculative grade corporate ratings (AAA-CCC). Private equity and private debt sub-strategies were added to offer a distinction among private market implementation options with different volatility and return profiles.

NEPC reported that Public Equity return assumptions have generally increased. The Public Equity return assumption is based on the market weighted blend (ACWI IMI). The 30-year Public Equity return assumption is lower as the ACWI IMI mix of equity sub-asset classes has shifted.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

President Driscoll called for public comment.

There were no comments and public comment was closed.

Action: This was a discussion only item.

16. 061219-16 Discussion Item Chief Investment Officer Report

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

Bill Coaker, Chief Investment Officer, reported that the equity markets declined almost 7% in the month of May due to renewed concerns over trade tensions between the U.S. and China as well as Mexico and its potential impact on the U.S. and global economy.

Even as equity markets fell nearly 7% last month, SFERS portfolio edged down just -0.88%, thanks to strong returns in Private Equity (3.04%) and Real Assets (1.06%) and having an allocation of just 33% to Public Equity.

CIO Coaker reported that, despite the considerable decline in Public Equity last month, SFERS Public Equity portfolio has still gained 12.07% in CY2019. The rally in Public Equity from January to April 2019 was the strongest start to a calendar year since 1987, but the decline last month was among

the worst for the month of May in the past 50 years. In sum, public equity returns are gyrating based on trade developments and whether the economic news remains strong.

CIO Coaker reported that on a fiscal year basis, SFERS portfolio has gained 5.08%. Public Equity has posted returns of -0.29%, due to the nearly 20% decline that occurred late last year and the market slump last month. Weakness in public equity returns this fiscal year SFERS has been offset by very strong returns in Private Equity of 15.92%. Returns in Private Equity have been stellar due to a string of high-profile IPO's and a strong overall exit market. SFERS has also posted solid returns in Real Assets and Private Credit of 8.86% and 7.12%, respectively.

The Portfolio Management Group (PMG) has been meeting a minimum of twice monthly since October 2018. The PMG reviewed and approved each investment recommendation presented to the Retirement Board this month.

Patria — Brazilian Private Equity Fund V (Ontario) Co-Invest Smartfit A, L.P.

At its meeting on January 9, 2019, the Retirement Board approved in closed session an investment of up to \$25 million in Brazilian Private Equity Fund V (Ontario) Co-Invest Smartfit A, L.P. The investment was approved by the following vote:

Ayes: Commissioners Bridges, Chu, Driscoll, Paskin-Jordan, Safai

Absent: Commissioners Casciato, Stansbury

SFERS' investment of \$25 million in Brazilian Private Equity Fund V (Ontario) Co-Invest Smartfit A, L.P closed on May 10, 2019.

This investment is classified as a Co-Investment within SFERS' private equity portfolio and is SFERS' first co-investment with Patria Private Equity.

More information about Patria Private Equity is available on <https://www.patria.com/>

Falko Regional Aircraft Opportunities Fund II LP.

At its meeting on March 13, 2019, the Retirement Board approved in closed session an investment of up to \$50 million in Falko Regional Aircraft Opportunities Fund II LP. The investment was approved by the following vote:

Ayes: Commissioners Bridges, Casciato, Chu, Driscoll, Paskin-Jordan, Safai, Stansbury

SFERS' investment of \$50 million in Falko Regional Aircraft Opportunities Fund II LP closed on May 22, 2019. This investment will be classified as a specialty finance investment within the SFERS' Private Credit Portfolio.

More information about Falko is available at www.falko.com.

EMR Capital Resources Fund III, LP

At its meeting on April 10, 2019, the Retirement Board approved in closed session an investment of up to \$100 million in EMR Capital Resources Fund III, LP. The investment was approved by the following vote:

Ayes: Commissioners Bridges, Chu, Driscoll, Heldfond, Safai

Absent: Commissioners Casciato, Stansbury

SFERS' commitment of \$100 million closed on May 28, 2019. The investment is classified as a natural resources investment within SFERS' Real Assets portfolio and is SFERS' second investment with EMR.

More information about the firm is available at emrcapital.com.

CIO Coaker announced two additional closed session disclosures:

Advent International GPE IX

At its meeting on March 13, 2019, the Retirement Board approved in closed session an investment of up to \$100 million in Advent International GPE IX. The investment was approved by the following vote:

Ayes: Commissioners Bridges, Casciato, Chu, Driscoll, Stansbury

Absent: Commissioners Paskin-Jordan, Safaí

SFERS' investment of \$55 million in Advent International GPE IX. closed on May 23, 2019.

This investment is classified as a Mega Buyout Fund within SFERS' private equity portfolio and is SFERS' fifth investment with Advent International.

More information about Advent International is available on <https://www.adventinternational.com>

New Enterprise Associates 17, L.P.

At its meeting on May 8, 2019, the Retirement Board approved in closed session an investment of up to \$100 million in New Enterprise Associates 17, L.P. The investment was approved by the following vote:

Ayes: Commissioners Bridges, Casciato, Chu, Driscoll, Heldfond, Safaí, Stansbury

SFERS' investment of \$75 million in New Enterprise Associates 16, L.P. closed on June 6, 2019.

This investment is classified as a venture capital investment within SFERS' Private Equity portfolio and is SFERS' fifth investment with NEA.

More information about NEA is available on www.nea.com

CIO Coaker announced three new additions to the SFERS investment team:

- Tiffany Dong, Security Analyst, Asset Allocation, Risk Management, and Innovative Solutions
- Christopher Terrazzano, Security Analyst, Real Assets; and
- Jiada Tu, Intern, Private Equity

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

President Driscoll asked staff to have a separate breakout on how co-investments are doing in the next report.

President Driscoll called for public comment.

There were no comments and public comment was closed.

Action: This was a discussion only item.

ADMINISTRATION CALENDAR

17. 061219-17 Discussion Item Personnel Committee Report

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

President Driscoll reported that the Personnel Committee met on Wednesday, May 8, 2019. At the meeting the Personnel Committee:

- Approved the Minutes of the March 27, 2019 Personnel Committee Meeting; and
- Reported on Request for Qualifications (RFQ) for Executive Search Firms and directed staff to proceed with the scoring of the RFQ; that the Board designate a Committee member, Executive Director and HR director to be the three independent scorers of the RFQ; and the eight other firms who are currently contracted with the City to be included in the scoring as long as they have public pension experience.

President Driscoll called for public comment.

There were no comments and public comment was closed.

Action: This is a discussion only item.

18. 061219-18 Discussion Item Overview of Disability Application Process

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

Caryn Bortnick, Deputy Executive Director, reported that under the Charter, a SFERS member who is substantially incapacitated from the performance of his or her duty for an extended or uncertain duration may apply for and receive a disability retirement allowance; and if the cause of the disability is work-related, a safety member may receive an industrial disability allowance. An ordinary disability allowance is available for disabilities regardless of cause for all members.

As of mid-April 2019, SFERS had approximately 400 pending disability cases, including approximately 160 ordinary disability cases, 200 safety industrial disability cases, and 40 CalPERS disability cases. 42 of these cases have been filed since the beginning of 2019.

Deputy Director Bortnick reported that many members who file for disability are eligible for a service or vesting allowance at the time they file the application. Those members have the option to retire with a stipulation that permits them to seek disability retirement while they are in benefit

status. Ms. Bortnick indicated that this distinction is an important one. It means those members are receiving a monthly allowance while their application is pending. Of the pending applications, 180 safety members are receiving a retirement allowance, and 110 miscellaneous members are receiving a retirement allowance. For those applications where the member is not receiving an allowance, SFERS staff works to move those cases on an expedited basis.

Deputy Director Bortnick reported that the average time from receipt of the application to the "medical ready" stage has decreased significantly since the Disability unit has been fully staffed and reorganized. Since the reorganization, the average time from receipt of the application to the "medical ready" stage is 5 months. Of the cases pending review by the City Attorney, none opened since the reorganization has taken longer than 12 months to reach the "medical ready" stage.

Ms. Bortnick reported that, before the reorganization of the Disability unit, the average time from receipt of the application to the "medical ready" stage was 13 months, and many cases took well over 12 months, and some of these are still pending. Ms. Bortnick noted varying reasons for this delay: as examples, a significant number of those cases involve situations where the member amended their application later in the process and staff needed to retrieve additional medical records; other members have pushed out their retirement date; and in other examples, SFERS is waiting for the applicant to submit medical reports or the member is awaiting surgery or additional treatment, so the case is in abeyance.

Deputy Director Bortnick reported that, once the disability application is "medical ready", the application file is sent to the City Attorney's Office for its staff to review and analyze the file. Many of these cases comprise thousands of pages of medical records. Cases are generally reviewed in the order received, unless there is a reason to prioritize them. Ms. Bortnick stated that catastrophic injury or terminal disease cases are prioritized, as well as cases where the member is not receiving any retirement income during the process. In addition, Board member requests to move a case up the queue are honored regardless of whether the applicant is receiving a retirement allowance. Ms. Bortnick reported that the average wait time for City Attorney review and analysis is 5 1/2 months.

Deputy Director Bortnick reported that, during the City Attorney review, the City Attorney's Office staff will determine whether an IME (independent medical examination) is needed. Sometimes a medical examination is necessary even where the member has submitted workers compensation records with a medical examination. Ms. Bortnick reported that this is because the medical and legal standard to qualify for a SFERS disability retirement is different from the medical and legal standard for a workers' compensation case. In some cases, the workers' compensation medical examination took place many years ago. To streamline the process, in many instances, the City Attorney's Office staff merely sends a letter to the treating workers' compensation physician asking whether the member has met the disability retirement standard based on their medical evidence. In other cases, the City Attorney's Office recommends an independent medical examination.

The San Francisco Charter requires that all disability applications be determined by a hearing officer. SFERS currently engages hearing officers from the State Office of Administrative Hearings (OAH) to determine SFERS and CalPERS disability applications.

Once the City Attorney's office is satisfied it has sufficient medical evidence to proceed to a hearing, they send a Declaration of Readiness (DOR) to SFERS staff along with the list of records to be

provided to the hearing officer and to the applicant. SFERS staff sends the DOR and the record to the member and asks if the member is ready to proceed to hearing. Ms. Bortnick reported that it is not unusual for the member to decide, for one reason or another, not to proceed to hearing at that time. At present, SFERS staff is waiting for 54 members to respond to a DOR notice that SFERS is ready to proceed to hearing.

After SFERS has received the member's DOR, a hearing date is set. Deputy Director Bortnick reported that the time between receipt of the DOR from both sides and a hearing is approximately five weeks. The hearing officer renders their decision within about 45 days.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Commissioner Casciato commented about the need for an identifiable individual who is able to assist individual members with getting through the process. Mr. Huish reported that the Mayor's Office has approved the ombudsman position and are waiting for approval by the Board of Supervisors.

Commissioner Driscoll requested that in order to see if there is improvement in the process to benchmark what number of open cases are today and come back in 12 months to see if there is any significant change in that number.

President Driscoll called for public comment.

There were no comments and public comment was closed.

Action: This was a discussion only item.

19. 061219-19 Discussion Item Executive Director's Report

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

Administrative Update:

- Annual Performance Evaluation Surveys for Executive Director and Actuarial Services Coordinator – Governance Consultant Ashley Dunning, Nossaman, will distribute the surveys to all Board members on Friday, June 14th

Jay Huish, Executive Director, reported that Commissioner Carmen Chu has a new addition to her family – her newborn daughter

President Driscoll spoke about the importance of maintaining scheduled Committee meetings.

President Driscoll called for public comment.

There were no comments and public comment was closed.

Action: This was a discussion only item.

20. 061219-20 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 ¶124.) 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.

Commissioner Casciato commented on the need to have information posted on the SFERS website which would be readily available to all which shows contribution rate charts, reports showing how SFERS is doing for the year, the history of SFERS to look back on performance levels.

Commissioner Bridges spoke about Robert Smith, our Private Equity manager, who gave back to community (paid off all student graduate loans), and also donated \$20 million dollars to the Smithsonian for one wing of the museum.

President Driscoll called for public comment.

There were no comments and public comment was closed.

Action: This was a discussion only item.

21. 061219-21

Adjournment

Having no further business, the Board adjourned the meeting at 5:30 PM



Respectfully submitted,
Jay Huish, Executive Director