



Wednesday, February 9, 2022

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 2:30 PM.

Meeting Held by Teleconference Pursuant to the Governor's Executive Order N-29-20 and the Fifth Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency

During the Coronavirus Disease (COVID-19) emergency, the Retirement System's regular meeting room, 1145 Market Street, 6th Floor, is closed. Commissioners and Retirement Staff will convene remotely. The Retirement Board meeting will be streamed live on SFGovTV (www.sfgovtv.org/sfersLIVE) and the public will be able to provide public comment during the meeting by live call-in. The public may listen to the meeting "live" by dialing **415-655-0001 and using Access Code: 2485 434 6321** and will be able to provide public comment during the meeting by live call-in. The public is encouraged to submit comments in advance of the meeting either by: (1) email to sferspubliccomment@sfgov.org or (2) recording your public comment on the Retirement System's public comment line 415-487-7020. Written public comments are limited to 150 words or less [Admin. Code § 67.16]

Public comments submitted by 5:00 p.m. PST, Friday, February 4, 2022 will be included in the record.

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

Leona Bridges

Al Casciato

Joseph Driscoll

Shruti Gandhi

Scott Heldfond, Vice President

Ahsha Safaí, President

Brian Stansbury

Jay Huish, Executive Director

Retirement Board Meeting

PUBLIC COMMENT CALL-IN: 415-655-0001

Access Code: 2485 434 6321

Providing Public Comment

- Public comment will be available on each item on this agenda. Each speaker will be allowed 2 minutes to speak. Comments or opportunities to speak during the public comment period are available via phone call by calling **(415) 655-0001**, access code [**2485 434 6321**], then '#' and then '#' again.
- When connected you will hear the meeting discussions, but you will be muted and in listening mode only.
- When your item of interest comes up, dial *3 to be added to the speaker line. Best practices are to call from a quiet location, speak clearly and slowly, and turn down your television, radio or computer.

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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. Roll Call	Commissioner Leona Bridges	1:00 PM
	Commissioner Joseph Driscoll	1:00 PM
	Commissioner Shruti Gandhi	Absent
	Commissioner Scott Heldfond	1:00 PM
	President Ahsha Safaí	1:00 PM
	Commissioner Brian Stansbury	1:00 PM

2. Communications

President Safaí called for public comment.

There were no callers and public comment was closed.

3. 020922-03 Action Item Review and Approval of February 2022 Board Resolution to Continue to Meet Remotely for at least 30 days pursuant to California Government Code Section 54953(e)

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Retirement Board Resolution 2022.02.09.

Jay Huish, Executive Director, provided a written and oral report on this item.

Mr. Huish asked that the Retirement Board adopt the recommended findings at this meeting and directed the Board Secretary to put a similar item on the Board agenda every 30 days thereafter as long as the Board continues to meet remotely. Adopting the recommended findings is required to allow the Retirement Board to continue to meet by teleconference and conduct its business consistent with state and local law.

President Safaí called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Driscoll, seconded by Commissioner Bridges, to adopt the February 2022 Resolution recommending the Retirement Board continue to meet remotely for at least the next 30 days; adopt findings under new State urgency legislation codified as Government Code Section 54953(e) (AB 361), including that (1) the State and the City remain in a state of emergency due to the COVID-19 pandemic, (2) State and City officials continue to recommend measures to promote physical and other social distancing in some settings, and (3) conducting meetings in person would present imminent risks to the safety of attendees and the state of emergency continues to directly impact the ability of members to meet safely in person.

4. 020922-04 Action Item CLOSED SESSION

President Safaí announced that the Retirement Board would be going into Closed Session:

(a) PUBLIC EMPLOYEE APPOINTMENT/HIRING, pursuant to California Government Code section 54957(b) and San Francisco Administrative Code section 67.10(b)

Title/position to be filled: Executive Director

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

President Safaí called for public comment on the Closed Session items.

There were no callers and public comment was closed.

The Board entered closed session at 1:15 pm.

The following individuals participated in the Closed Session 4(a) to consider the employment of Executive Director via teleconference: Commissioners Bridges, Driscoll, Heldfond, Safaí, Stansbury; Gary Hudepohl, Hudepohl & Associates

The following individuals were present for the closed session re Possible Recommendation and/or Action on Sale and Purchase of Particular, Specific Pension Fund Investment under California Government Code Section 54956.81 via teleconference: Commissioners Bridges, Driscoll, Heldfond, Safaí, Stansbury; Jay Huish, Executive Director; Darlene Armanino, Board Secretary, Caryn Bortnick, Deputy Executive Director; Kurt Braitberg, Interim Chief Investment Officer; Tanya Kemp, Managing Director, Private Markets; Anna Langs, Managing Director, Asset Allocation, Risk Management and Innovative Solutions; David Francl, Absolute Return Managing Director; Han Pham, Director, Public Equity; Ed Comerford, Director, Buyouts; Chris Chow, Director, Real Assets; Andrew Collins, Director, ESG; Eunice McHugh, Director, Private Credit; Chris Terrazzano, Associate Portfolio Manager; Alo Martins, Senior Portfolio Manager, Fixed Income; Rishi Garbharran, Senior Portfolio Manager, Private Equity; Adrienne von Schulthess, Kien Trinh, Brady Jewett, Jiada Tu, Dennis Esselsagoe, Patrick Li, Investment Analysts; Cecilia Mangoba, Molly Nordale, Tran Ly, Deputy City Attorneys; Allan Martin, NEPC; Anita Ng, Kelly Jensen, Marc Cardillo, Richard Grimm, Michael Brand, Cambridge Associates.

The Board ended Closed Session at 2:26 pm

The Board returned to Open Session 2:36 pm

President Safaí called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Bridges, not to disclose any discussions held in Closed Sessions 4(a) and 4(b) under San Francisco Administrative Code Section 67.12(a).

Ayes: Commissioners Bridges, Driscoll, Heldfond, Safai
Absent: Commissioners Gandhi, Stansbury

5. 020922-05 General Public Comment – Not earlier than 2:30 pm

President Safai called for General Public Comment.

Email received from John Stenson for General Public Comment:

HEDGE FUND JOKE

WARREN BUFFETT ASKED A HEDGE FUND MANAGER

“ DO ALL THOSE MULTI-MILLION DOLLAR YACHTS IN NEW YORK HARBOR BELONG TO HEDGE FUND INVESTORS ””?

“ NO SAID THE HEDGE FUND MANAGER, THEY BELONG TO HEDGE FUND MANAGERS ””

P.S.--WARREN BUFFETT ONCE SAID “ ANYBODY THAT KNOWS HOW TO DO SIMPLE MATH WOULD NOT INVEST IN HEDGE FUNDS””

WITH BEST REGARDS FROM JOHN STENSON
A 48 YEAR MEMBER OF SFERS.

President Safai called for additional General Public Comment.

There were no callers and General Public Comment was closed.

6. 020922-06 Action Item Approval of the Minutes of the January 12, 2022 Retirement Board Meeting

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the January 12, 2022 Retirement Board.

President Safai called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Bridges, to approve Minutes of the January 12, 2022 Retirement Board Meeting.

Ayes: Commissioners Bridges, Driscoll, Heldfond, Safaí
 Absent: Commissioner Gandhi, Stansbury

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.

7. 020922-07	Action Item	Consent Calendar
020922-07b	Action Item	Voluntary Retirement Board List No. 08-21
020922-07c	Action Item	Decisions of Hearing Officers
Francisca M. Arellano Effective Date: 02/01/2020	2586 Health Worker II Department of Public Health	Ordinary Disability Retirement Granted (VR- 12/17/2020)
Richard A. Fonseca Effective Date: 02/01/2018	7228 Automotive Trnst Shop Sprv 1 MTA	Ordinary Disability Retirement/Stip Granted
020922-07d	Action Item	Conference Request
Request approval for Commissioner Joseph Driscoll to attend SDP Virtual Annual Conference, The Frontiers of Decision-Making, April 27-29, 2022.		
020922-07e	Discussion Item	Retirement Board Member Reports and Comments

Action: This is a discussion only item.

Documents provided to the Retirement Board prior to the current meeting: Voluntary Retirement Board List, Decisions, Conference request.

President Safaí called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Driscoll, to approve Consent Calendar.

Ayes: Commissioners Bridges, Driscoll, Heldfond, Safaí
Absent: Commissioner Gandhi, Stansbury

INVESTMENT CALENDAR

8. 020922-08 Action Item Proxy Voting Guidelines - 2022

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Proposed 2022 Proxy Voting Guidelines with tracked changes, Proposed Proxy Voting Guidelines "clean" without track changes.

Kurt Braitberg, Interim Chief Investment Officer and Andrew Collins, Director of ESG Investing, provided an oral and written report on this item.

For 2022, Staff recommended the following updates to the SFERS Proxy Voting Guidelines:

- General updates to the Proxy Voting Guidelines to improve presentation, clarity, and readability;
- Ten (10) updates to the existing proxy voting policy for Director Elections;
- Two (2) updates to the existing proxy voting policy for Shareholder Rights; and
- Two (2) updates to Appendix A which defines Director Independence.

President Safaí recessed meeting until 3:30 PM

Meeting resumed at 3:35 PM

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

President Safaí called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Bridges, to approve the SFERS Proxy Voting Guidelines for 2022.

Ayes: Commissioners Bridges, Driscoll, Heldfond, Safaí, Stansbury
Absent: Commissioner Gandhi

9. 020922-09 Action Item Recommendation to Invest up to \$400 million in a Fidelity Tactical Bond Separate Account

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Consultant Analysis - NEPC.

Kurt Braitberg, Interim Chief Investment Officer; Alo Martins, Senior Portfolio Manager, Public Markets; Dennis Esselsagoe, Security Analyst, Public Fixed Income; Allan Martin, NEPC, provided an oral and written report on this item.

Staff and NEPC, SFERS' generalist consultant, recommended investment in a Multi-Sector Fixed Income portfolio to be managed by Fidelity Institutional Asset Management ("Fidelity"). The recommended mandate is anticipated to be focused largely in investment grade credit, high yield corporates, emerging market debt, and securitized investments.

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

President Safaí called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Driscoll, seconded by Commissioner Heldfond, to approve an investment of up to \$400 million in a multi-sector fixed income separate account managed by Fidelity.

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

Absent: Commissioner Gandhi

10. 020922-10 Action Item Recommendation to Invest up to \$200 million in the Impactive Capital Fund

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

Kurt Braitberg, Interim Chief Investment Officer; Han Pham, Director, Public Equity; Tim O'Connell, NEPC, provided a written and oral written on this item.

Staff and NEPC recommended an investment of up to \$200 million in Impactive Capital Fund, an activist ESG strategy focused on small to mid-cap companies primarily in the US managed by Impactive Capital ("Impactive"). The Strategy consists of a concentrated portfolio of 8-12 high quality businesses with opportunities to increase shareholder value through active engagement and a focus on ESG considerations.

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

President Safaí called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Driscoll, to commit up to \$200 million in the Impactive Capital Fund.

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

Absent: Commissioner Gandhi

President Safaí excused himself from the meeting at 4:20 pm. Vice President Heldfond conducted meeting on behalf of President Safaí

11. 020922-11 Discussion Item Proxy Voting Report for Calendar Year 2021

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

Vice President Heldfond accepted report as submitted.

Vice President Heldfond called for public comment.

There were no callers and public comment was closed.

Action: This is a discussion only item.

12. 020922-12 Discussion Item Chief Investment Officer Report

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

Kurt Braitberg, Interim Chief Investment Officer, presented an oral and written report on this item.

Closed Session Disclosures:

Carmel Partners Investment Fund VIII, LP

At its meeting on January 12, 2022, the Retirement Board approved in closed session an investment of up to \$30 million to Carmel Partners Investment Fund VIII, LP ("Carmel Fund VIII"). The investment was approved by the following vote:

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

Abstained/Recused: Commissioner Gandhi

Absent: Commissioner Stansbury

SFERS' commitment of \$25 million to Carmel Fund VIII closed on January 31, 2022. The commitment is classified as a Real Estate investment within the Real Assets portfolio and is SFERS' third investment with Carmel Partners.

More information about the firm is available at <https://www.carmelpartners.com>.

Thoma Bravo Discover Fund IV, L.P. and Thoma Bravo Explore Fund II, L.P.

At its meeting on November 10, 2021, the Retirement Board approved in closed session three investments of up to \$200 million in aggregate in Thoma Bravo Fund XV, L.P., Thoma Bravo Discover Fund IV, L.P., and Thoma Bravo Explore Fund II, L.P. The investment was approved by the following vote:

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

Absent: Commissioners Gandhi, Stansbury

SFERS' commitment of \$75 million in Thoma Bravo Discover Fund IV, L.P. and SFERS' commitment of \$50 million in Thoma Bravo Explore Fund II, L.P. closed on February 3, 2022.

Thoma Bravo Discover Fund IV, L.P. is classified as a large buyout investment and Thoma Bravo Explore Fund II, L.P. is classified as a medium buyout investment within SFERS' private equity portfolio and are SFERS' thirteenth and fourteenth commitments to Thoma Bravo sponsored equity funds.

More information about Thoma Bravo is available on thomabravo.com

LYFE Capital Fund IV (Dragon), L.P. and LYFE Capital Fund IV (Phoenix), L.P.

At its meeting on November 10, 2021, the Retirement Board approved in closed session an investment of up to \$50 million to LYFE Capital Fund IV, L.P. The investment was approved by the following vote:

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

Nays: None

Absent: Commissioners Gandhi, Stansbury

SFERS' investment of \$18.75 million in LYFE Capital Fund IV (Dragon), L.P. and \$6.25 million in LYFE Capital Fund IV (Phoenix), L.P. closed on January 21, 2022.

These investments will be classified as Venture Capital within SFERS' Private Equity portfolio.

More information about LYFE is available on <https://www.lyfecapital.com/>.

Ward Ferry Asian Smaller Companies Fund

At its meeting on July 14, 2021, the Retirement Board approved in closed session an investment of up to \$300 million in Ward Ferry Asian Smaller Companies Fund Ltd. and Ward Ferry Asian Reconnaissance Fund Ltd.

Moved by Commissioner Heldfond, Seconded by Commissioner Driscoll

Ayes: Commissioners Bridges, Casciato, Driscoll, Gandhi, Heldfond, Stansbury

Absent: Commissioner Safaí

SFERS' investment of \$100 million in the Ward Ferry Asian Smaller Companies Fund Limited closed on January 28, 2022. SFERS expects to commit another \$200 million to Ward Ferry when additional capacity becomes available.

This investment is classified as an emerging markets investment within SFERS' public equity portfolio and is SFERS' first investment with Ward Ferry Management Limited.

More information about Ward Ferry Management Limited is available on <http://www.wardferry.com/>

Vice President Heldfond called for public comment.

Fred Sanchez, Protect Our Benefits, inquired if the Board was close in providing information on paying people who retired before 1996.

There were no further callers and public comment was closed.

Action: This is a discussion only item.

DEFERRED COMPENSATION PLAN CALENDAR

13. 020922-13 Discussion Item San Francisco Deferred Compensation Plan Quarterly Report – Q4 '21

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, SFDCP Quarterly Memorandum – Q4 '21, Q4 '21 Fund Performance, Quarterly Plan Review as of December 31, 2021, SFDCP Webinar Flyer, SFDCP Retirement Counselors by Department Flyer.

Diane Chui Justen, Deferred Compensation Director; Greg Ungerman, Callan; Brian Merrick, Voya, presented an oral and written report on this item.

1. Investments

- Stable Value Credit Rate is 1.67% for Q1 2022
- Target Date Funds asset allocation changes executed on January 31, 2022

- Portfolio management changes within Active Equity Fund and International Equity Fund
2. Marketing/Communications
 - New SFDCP Webinar Schedule for Q1 2022
 - “Near Maximum” participant outreach
 3. Operations
 - 457(b) Contribution Limits increase for 2022
 - Department of Labor (DOL) default electronic disclosure final rule
 4. Recordkeeper
 - Additional Participant and Plan Sponsor Website Enhancements
 - Voya Retirement Counselor Department Realignment

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

Vice President Heldfond called for public comment.

There were no callers and public comment was closed.

Action: This is a discussion only item.

ADMINISTRATION CALENDAR

- 14. 020922-14 Discussion Item Retirement System Conference Expense Report for the period beginning October 1, 2021 – December 31, 2021.**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Conference Training Expense Report for the Quarter Ended December 31, 2021.

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

Vice President Heldfond accepted report as submitted.

Vice President Heldfond called for public comment.

There were no callers and public comment was closed.

Action: This is a discussion only item.

- 15. 020922-15 Action Item Review and Approval of Basic COLA Effective July 1, 2022**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Exhibit A – San Francisco-Oakland-Hayward CPI – all items, all urban consumers, not seasonally adjusted, Exhibit B – COLA Bank.

Janet Brazelton, Actuarial Services Coordinator, provided an oral and written report on this item.

Vice President Heldfond called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Driscoll, seconded by Commissioner Bridges, to approve a Charter A8.526-2 cost of living (Basic COLA) increase of 2% payable effective July 1, 2022 for all qualified SFERS retirees who retired prior to July 2, 2022.

Ayes: Commissioners Bridges, Driscoll, Heldfond, Stansbury

Absent: Commissioners Gandhi, Safaí

President Safaí returned to Open Session at 4:48 pm

16. 020922-16 Action Item Determination and Approval of Credited Interest Rate for Fiscal Year 2022-23

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Credited Interest Rate Policy.

Janet Brazelton, Actuarial Services Coordinator, provided an oral and written report on this item.

President Safaí called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Driscoll, to accept the credited interest rate analysis provided and approve no adjustment in the Plan's current credited interest rate of 4% effective July 1, 2022.

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

Absent: Commissioners Gandhi

17. 020922-17 Action Item Review and approval of the revised Actuarial Funding Methods Policy

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Actuarial Funding Methods Policy – redlined version, Actuarial Funding Methods Policy.

Janet Brazelton, Actuarial Services Coordinator, provided an oral and written report on this item.

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

President Safaí called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Bridges, to approve the revised Actuarial Funding Methods Policy.

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

Absent: Commissioners Gandhi

18. 020922-18 Action Item Review and Adoption of July 1, 2021 Actuarial Valuation Report and presentation of Employer Contribution Rate Stress Test Projections

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, July 1, 2021 Funding Actuarial Valuation Results and July 1, 2021 Actuarial Valuation Report.

Bill Hallmark and Anne Harper of Cheiron presented the results of the SFERS annual actuarial valuation as of July 1, 2021. This valuation forms the basis for the calculation of the fiscal year 2021-2022 employer and employee contribution rates.

The Plan is over 100% funded based on the Market Value of Assets and 94% funded based on the Actuarial Value of Assets.

- About \$5.6 billion in investment gains not yet recognized in Actuarial Value of Assets.

Very likely that FYE 2024 contribution rate will be lower than FYE 2023.

- Recognition of some of the deferred investment gains.
- Final payment for 2002 Charter amendment (1.15% of pay).
- Final payment for 2017 Supplemental COLA (1.39% of pay)

Projected contributions are expected to continue to decrease significantly over the next four years as deferred investment gains are recognized in the Actuarial Value of Assets.

- Good investment returns accelerate the reduction.
- Poor investment returns likely still result in short-term reductions before contributions increase to pay for the investment losses.

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

President Safaí called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Driscoll, to adopt the July 1, 2021 actuarial valuation report.

Ayes: Commissioners Bridges, Driscoll, Heldfond, Safaí, Stansbury
Absent: Commissioners Gandhi

19. 020922-19 Action Item Adoption of Employer Contribution Rate of 21.35% for Fiscal Year 2022-23

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

Janet Brazelton, Actuarial Services Coordinator, provided an oral and written report on this item.

President Safaí called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Bridges, seconded by Commissioner Driscoll, to approve the recommended employer contribution rate of 21.35% for fiscal year 2022-2023.

Ayes: Commissioners Bridges, Driscoll, Heldfond, Safaí, Stansbury
Absent: Commissioners Gandhi

20. 020922-20 Action Item Review and Approval of Department Budget for FY2022-23 and FY2023-24

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

Jay Huish, Executive Director; Caryn Bortnick, Deputy Executive Director; Diane Chui Justen, Deferred Compensation Director, provided an oral and written report on this item.

Mr. Huish reported that, in the Mayor's budget instructions, Mayor Breed announced that, for the first time since 1998, San Francisco is projecting a budget surplus for the next two years and highlighted that the projected surplus is the result of a mix of revenue improvements, record returns in SFERS which help reduce the City's pension contributions over the next four-year period and beyond, and the City's efforts to constrain major cost growth over the last two budgets during the pandemic.

The department budget proposal was presented to the Operations Oversight Committee at its February 2, 2022 Committee meeting. At that meeting, SFERS Division Directors presented their budget priorities for the upcoming FY2022-23 and FY2023-24 department budget to the

Committee. The Committee engaged in a discussion regarding the proposed budget and voted to forward the proposed budget to the full Board with the Committee recommendation to approve.

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

President Safaí called for public comment.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Driscoll, to approve the Department Budget for FY2022-23 and FY2023-24.

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

Absent: Commissioners Gandhi

21. 020922-21 Discussion Item Executive Director's Report

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

Administrative Update:

- Parental Leave Entitlements for Retirement Board Members
- Update on SFERS' Return-to-Office Plans

Recommendation: This is a discussion item only.

Attachments for Informational Purposes:

- *Amended Policies Authorizing Parental Leave and Teleconferencing During Leave by Retirement Board Members Factsheet*
- Retirement Board Forward Calendar for February 2022 to February 2023
- Request for Proposal in Progress Blackout Period
- *Public Retirement Conferences and Training Programs for SFERS Trustees – Nossaman LLP*

President Safaí called for public comment.

There were no callers and public comment was closed.

Action: This is a discussion only item.

22. 020922-22 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.

Commissioner Driscoll complimented Executive Director Jay Huish, Actuarial Services Coordinator Janet Brazelton and Cheiron on the development and implementation of the benefits calculator tool on the website.

President Safaí thanked Executive Director and staff on their hard work and commented that he looks forward to working in an environment of mutual respect.

President Safaí called for public comment.

There were no callers and public comment was closed.

Action: This is a discussion only item.

23. 020922-23

Adjournment

Having no further business, the Board adjourned the meeting at 5:54 pm.

Respectfully submitted,


Jay Huish, Executive Director