



**City and County of San Francisco
Employees' Retirement System**

AMENDED SPECIAL RETIREMENT BOARD

MEETING MINUTES

Thursday, September 15, 2022

1145 Market Street, 6th Floor

San Francisco, CA 94103

11:00 AM

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 12:00 PM

This meeting will be held in person at the location listed above. As authorized by California Government Code Section 54953(e) and Mayor Breed's 45th Supplement to her February 25, 2020 emergency proclamation, it is possible that some members of the Retirement Board may attend this meeting remotely. In that event, those members will participate and vote by video.

Members of the public may attend the meeting to observe and provide public comment at the physical meeting location listed above or online 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: **2499 548 2539** 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, Monday, September 12, 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

Joseph Driscoll

Shruti Gandhi

Scott Heldfond, Vice President

Ahsha Safaí, President

Brian Stansbury

A.J. Thomas

Alison Romano, CEO & CIO

Retirement Board Meeting

PUBLIC COMMENT CALL-IN: 415-655-0001

Access Code: 2499 548 2539

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 [**2499 548 2539**], 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	11:13 AM
	Commissioner Joseph Driscoll	11:13 AM
	Commissioner Shruti Gandhi	Absent
	Commissioner Scott Heldfond	11:13 AM
	Commissioner Ahsha Safaí	11:20 AM
	Commissioner Brian Stansbury	Absent
	Commissioner A.J. Thomas	11:13 AM

2. Communications

Health and safety protocols along with building rules were read aloud.

- 3. 091522-03 Action Item Review and Approval of September 2022 Board Resolution to Continue to Meet In-person with Some Members Possibly Attending 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 2022.09.15.

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

Action: Moved by Commissioner Driscoll, seconded by Commissioner Thomas to adopt the September 2022 Resolution recommending the Retirement Board continue to meet in-person with some members possibly attending remotely for at least the next 30 days; adopt findings under State urgency legislation codified as Government Code Section 54953(e) (AB 361), including that the State and the City remain in a state of emergency due to the COVID-19 pandemic and conducting meetings of the Retirement Board and its committees in person without allowing certain members of this body to attend remotely would present imminent risks to the health or safety of certain attendees due to COVID-19; and providing that all meetings of the Retirement Board and its committees will provide an opportunity for members of the public to address the body and will otherwise occur in a manner that protects the statutory and constitutional rights of parties and the members of the public attending the meeting in person or via teleconferencing.

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

4. 091522-04 Discussion Item CLOSED SESSION

Vice President Heldfond announced that the Retirement Board would be going into Closed Session.

Action: Motion made by Commissioner Thomas, seconded by Commissioner Driscoll, to assert the attorney-client privilege to move into closed session to discuss the pending litigation item and investment.

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

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

The Board entered Closed Session 4(a) - Discussion Item: CONFERENCE WITH LEGAL COUNSEL - Existing Litigation at 11:30 AM.

The following individuals were present for closed session 4(a) – Existing Litigation: President Safaí, Commissioners Bridges, Driscoll, Heldfond, Thomas; Alison Romano, CEO & CIO; Caryn Bortnick, Chief Operating Officer; Darlene Armanino, Board Secretary.

The following individuals participated in the closed session via teleconference: Cecilia Mangoba, Deputy City Attorney.

The Board entered Closed Session 4(b) - Action Item: Possible Recommendation and/or Action on Sale and Purchase of Particular, Specific Pension Fund Investment under California Government Code Section 54956.81 (1 investment) at 11:43 AM.

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: Commissioners Bridges, Driscoll, Heldfond, Safaí, Thomas; Alison

Romano, CEO & CIO; Caryn Bortnick, Chief Operating Officer; Molly Nordale, Deputy City Attorney; Darlene Armanino, Board Secretary.

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: Kurt Braitberg, Managing Director, Public Markets; Tanya Kemp, Managing Director, Private Markets; Andrew Collins, Director, ESG; Han Pham, Director, Public Equity; Anna Langs, Managing Director, Asset Allocation, Risk Management and Innovative Solutions; Ed Comerford, Director, Private Equity; Justin Lo, Director, Venture Capital; Chris Chow, Director, Real Assets; Eunice McHugh, Director, Private Credit; Chris Wisdom, Associate Portfolio Manager; Alo Martins, Senior Portfolio Manager, Fixed Income; Rishi Garbharran, Senior Portfolio Manager, Private Equity; Adrienne von Schulthess, Kien Trinh, Cynthia Wong, Patrick Li, Investment Officers; Brady Jewett, Jiada Tu, James Kraft, Associate Portfolio Managers; Ba Do, Investment Operations Director; Cecilia Mangoba, Tran Ly, Deputy City Attorneys; Allan Martin, NEPC; Anita Ng, Mark Mallory, Cambridge Associates.

The Board ended Closed Session at 11:57 AM

The Board returned to Open Session at 12:10 PM

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Thomas, not to disclose any discussions held in Closed Session under San Francisco Administrative Code Section 67.12(a).

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

Absent: Commissioners Gandhi, Stansbury

5. 091522-05 General Public Comment – Not earlier than 12:00 PM

President Safaí called for General Public Comment.

Email received from John Stenson for General Public Comment:

WHEN CHINA INVADE TAIWAN, THE UNITED STATES WILL RETALIATE AND IMPOSE ECONOMIC SANCTIONS ON CHINA.

CHINA WILL RETALIATE ON THE UNITED STATES WITH ECONOMIC SANCTIONS, THAT WILL MAKE ALL AMERICAN INVESTMENTS IN CHINA WORTHLESS.

BEFORE THIS HAPPENS YOU SHOULD DIVEST OF ALL INVESTMENTS THAT SFERS HAVE IN CHINA.

WITH BEST REGARDS FORM JOHN STENSON

A 38 YEAR MEMBER OF SFERS.

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

6. 091522-06 Action Item Approval of the Minutes of the July 14, 2022 Retirement Board Meeting

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the July 14, 2022 Retirement Board Meeting.

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

Action: Moved by Commissioner Thomas, seconded by Commissioner Heldfond, to approve Minutes of the July 14, 2022 Retirement Board Meeting.

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

Absent: Commissioners 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. 091522-07	Action Item	Consent Calendar
091522-07b	Action Item	Voluntary Retirement Board List No. 03-22
091522-07c	Action Item	Decisions of Hearing Officers
Patricia Brown Effective Date: 03/01/2021	1708 Senior Telephone Operator Department of Public Health	Ordinary Disability Retirement Granted (VR - 02/01/2021)
Jerome A. DeFilippo Jr. Effective Date: 10/20/2018	Q082 Captain III Police	Industrial Disability Retirement/Stip Granted
Beverly R. Detiege Effective Date: PERS	8304 Deputy Sheriff Sheriff	CalPERS - Disability Retirement Certified
Felipe Fernandez Effective Date: 09/18/2021	2578 - Medical Examiner II Administrative Services	Ordinary Disability Retirement Granted
Peter D. Hamilton Effective Date: 12/21/2021	Q082 Captain III Police	Industrial Disability Retirement Granted
Patrick B. Higgins Effective Date: 09/10/2021	H004 Insp, Fire Dept Fire	Industrial Disability Retirement/Stip Granted
Glenn D. Mar Effective Date: 06/17/2017	Q062 Lieutenant III Police	Industrial Disability Retirement/Stip Granted
Dean M. Marcic Effective Date: 04/01/2019	0382 Inspector III Police	Industrial Disability Retirement/Stip Granted
Mario A. Marino Effective Date: 08/10/2019	Q004 Police Officer III Police	Industrial Disability Retirement/Stip Granted
Prince J. Onyebuchi Effective Date: PERS	8444 Deputy Probation Officer Adult Probation	CalPERS - Disability Retirement Certified
Michael A. Pardini Effective Date: 04/24/2021	Q003 Police Officer II Police	Industrial Disability Retirement Granted
Karen M. Passanisi, Effective Date: 07/01/2017	1460 Legal Secretary II City Attorney	Ordinary Disability Retirement/Stip Granted

David E. Russell Effective Date: 11/30/2019	H020 Lieutenant, Fire Suppression Fire	Industrial Disability Retirement/Stip Granted
Geoffrey T. Schneider Effective Date: 09/18/2019	1053 IS Business Analyst-Senior Department Of Public Works	Ordinary Disability Retirement Granted
Stephanie L. Thomas Effective Date: 07/01/2021	1043 IS Engineer-Senior Airport Commission	Ordinary Disability Retirement/Stip Granted

091522-07d

Action Item

Conference Request

Request approval for Commissioner A.J. Thomas who attended CALAPRS Principles of Pension Governance, Tiburon, CA, August 29, 2022 to September 1, 2022.

Request approval for Commissioner A.J. Thomas to attend the CII Fall 2022 Conference, Boston, MA, September 21-23, 2022.

Request approval for Commissioner A.J. Thomas to attend the ILPA Private Equity for the Trustee, San Francisco, CA, September 28-29, 2022.

Request approval for Commissioner Scott Heldfond to attend the Stanford Climate Salon, October 11-12, 2022, Palo Alto, CA.

Request approval for Commissioner Joseph Driscoll to attend the Pension & Investments Defined Contribution West, October 23-25, 2022, Carlsbad, CA.

091522-07e

Discussion Item

**Retirement Board Member Reports
and Comments**

Report by Commissioner Leona Bridges who attended the USAID US Institutional Investors Delegation Trip to South Africa from August 2-8, 2022.

Report by Commissioner A.J. Thomas who attended the CALAPRS Principles of Pension Governance, Tiburon, CA, August 29, 2022 to September 1, 2022.

Action: This is a discussion only item.

Documents provided to the Retirement Board prior to the current meeting: Voluntary Retirement Board List, Travel Requests, Conference Report.

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

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

Ayes: Commissioners Bridges, Driscoll, Gandhi, Heldfond, Thomas

Absent: Commissioners Safai, Stansbury

INVESTMENT CALENDAR

08. 091522-08 Discussion Item Chief Investment Officer Report

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

Alison Romano, CEO & CIO, provided an update on investment market environment, preliminary performance and plan value.

Update on Board approved investments:

SAF Annex Fund, LP

At its meeting on February 10, 2021, the Retirement Board approved in closed session an investment of up to \$100 million to Sustainable Asset Fund III (US Feeder), LP and SAF Annex Fund, LP ("Annex Fund"). The investment was approved by the following vote:

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

Absent: Commissioners Stansbury

SFERS' commitment of \$40 million to the Annex Fund closed on July 18, 2022. The commitment is classified as an Infrastructure investment within the Real Assets portfolio and is SFERS' third investment with Vision Ridge Partners.

More information about the firm is available at <https://vision-ridge.com/>.

GCP SecureSpace Property Partners LP

At its meeting on July 14, 2022, the Retirement Board approved in closed session an investment of up to \$70 million to GCP SecureSpace Property Partners LP ("GCP SecureSpace"). The investment was approved by the following vote:

Ayes: Commissioners Bridges, Driscoll, Gandhi, Heldfond, Thomas

Absent: Commissioners Safai, Stansbury

SFERS' commitment of \$65 million to GCP SecureSpace closed on August 5, 2022. SFERS' investment is classified as a Real Estate investment within the Real Assets portfolio and is SFERS' first investment with GCP.

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

Arrow Credit Opportunities II USD Feeder SCSp

At its meeting on July 14, 2022, the Retirement Board approved in closed session an investment of up to \$70 million in Arrow Credit Opportunities II USD Feeder SCSp. This investment was approved by the following vote:

Ayes: Commissioners Bridges, Driscoll, Gandhi, Heldfond, and Thomas

Nays: None

Absent: Commissioners Safaí and Stansbury

SFERS' investment of \$70 million in Arrow Credit Opportunities II USD Feeder SCSp closed on August 5, 2022. This investment is classified as a Credit Opportunities investment within SFERS' Private Credit portfolio. This is SFERS' first investment with Arrow Global.

More information about Arrow is available at <https://www.arrowglobal.net/>.

JEN 8 LP

At its meeting on July 14, 2022, the Retirement Board approved in closed session an investment of up to \$75 million to JEN 8 LP. The investment was approved by the following vote:

Ayes: Commissioners Bridges, Driscoll, Gandhi, Heldfond, Thomas

Absent: Commissioners Safaí, Stansbury

SFERS' commitment of \$70 million to JEN 8 LP closed on August 18, 2022. SFERS' investment is classified as a Real Estate investment within the Real Assets portfolio and is SFERS' third investment with JEN Partners.

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

Presidio Loan Fund, LP

At its meeting on June 9, 2022, the Retirement Board approved in closed session an investment of up to \$300 million in Presidio Loan Fund, LP, a vehicle managed by HPS Partners. This investment was approved by the following vote:

Ayes: Commissioners Bridges, Driscoll, Heldfond, Thomas

Absent: Commissioners Gandhi, Safaí, Stansbury

SFERS' investment of \$300 million in Presidio Loan Fund, LP closed on August 8, 2022. This investment is classified as a Direct Lending investment within SFERS' Private Credit portfolio. SFERS has invested in four funds managed by HPS, including Presidio Loan Fund, LP, and this is SFERS' second investment in Presidio Loan Fund, LP.

More information about HPS is available at <https://www.hpspartners.com/>

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

Action: This is a discussion only item.

Recess taken at 12:30 pm

Returned to Open Session at 1:00 pm

09. 091522-09 Discussion Item SFERS Annual Liquidity Management Update

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Annual Liquidity Management Update, Staff's presentation.

Alison Romano, CEO & CIO, Anna Langs, Managing Director, Asset Allocation, Risk Management, Innovative Solutions, provided an oral and written report on this item.

SFERS is a large investor in private markets with an aggregate strategic target allocation to Private Equity, Real Assets, and Private Credit of 43%. Relative to this target, SFERS' current allocation to private market strategies is 53% of total plan assets or approximately \$18 billion. Additionally, SFERS has approximately \$7.8 billion in contractual commitments of uncalled capital to private markets managers. SFERS does not control the timing of when capital is called and when distributions are received.

Ms. Langs presented an update on the current management of SFERS' liquidity and noted that as the Plan matures, liquidity should be an increasingly important consideration in setting asset allocation and in managing through stressed market conditions.

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

Action: This is a discussion only item.

President Safaí returned to Open Session at 1:26 PM

10. 091522-10 Discussion Item Annual Review of SFERS' Securities Lending Program for the Fiscal Year Ended June 30, 2022

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

Alison Romano, CEO & CIO; Kurt Braitberg, Managing Director, Public Markets; Michael McInnes, BNY Mellon, provided an oral and written report on this item.

Key features of the program include:

- Dual Indemnification BNY Mellon provides indemnification in case of a counterparty default and non-delivery of securities lent through the non-cash collateral program, and in the case of a counterparty default and non-delivery of repurchase agreement investments in the cash collateral account.
- Separately Managed Account SFERS' cash collateral assets are fully segregated and managed in a separately managed account subject to SFERS-specific guidelines.
- Conservative Investment Guidelines. The guidelines for the cash collateral reinvestment account are consistent with those that govern money market funds.

SFERS Staff monitors and reviews the securities lending program with BNY Mellon on an ongoing basis in accordance with SFERS' processes and procedures. The presentation provided an annual update to the Retirement Board of program's performance, activity, and initiatives.

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

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

Action: This is a discussion only item.

Vice-President Heldfond left at 2:04 PM and returned at 2:08 PM

Commissioner Bridges left at 2:20 PM and returned at 2:36 PM

11. 091522-11 Discussion Item Report on Investment Performance of the Retirement Fund for the Quarter Ended June 30, 2022

- October’s National Retirement Security Month launches with “Small Steps, Great Strides” theme, in-person seminar at SFPL Main, and “Codeword” game to earn a prize
- Operations
 - Amendment to the SFDCP Plan Document - Normal Retirement Age
- Recordkeeper
 - Voya Retirement Advisors – NEW Feature: Income Beyond Retirement

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

Action: This is a discussion only item.

13. 091522-13 Discussion Item Review of SFDCP Investment Performance for the First Half of 2022

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Callan Presentation, Investment Measurement Service Q2 '22 Report.

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

Callan Associates presented a review of the Plan’s investment performance for the first half of 2022.

Key Highlights:

- The Deferred Compensation Plan was valued at \$4.2 billion on June 30, 2022
 - The change in total Plan assets fell by \$790 million for the first two quarters of 2022. However, the Plan is still up by \$390 million over the last two years.
- Given the drop in the stock and bond market so far this year, the target date funds fell between -12.9% and -17.3% for the first two quarters of 2022. Longer term results remain strong and all of the vintages performed ahead of their custom benchmark returns on a since inception basis.

Watch List Update – There are four manager’s that qualify for the watch list summarized below:

1. LSV is the sole large cap value manager for the SFDCP Large Cap Value Equity fund. They are on watch because their 3 and 5 year performance is below benchmark and peer group given the dramatic sell off during the first quarter of 2020. The fund has shown nice improvement in the near term.
2. The SFDCP Active Equity fund is comprised of the Fidelity Low-priced Stock Fund, a very eclectic all cap fund with a valuation focus. The long time PM, Joel Tillinghast will be retiring by the end of 2023, and his role will be split between two PMs going forward. The transition seems to be going smoothly.
3. The SFDCP Large Cap Growth fund ranks in the third quartile and behind the growth index for the 3 and 5 year periods. The fund is comprised of T. Rowe Price and the Vanguard Growth Index fund. The T. Rowe growth fund has fallen short of the peer group given the significant sell off in their tech holdings. The fund has seen a sizable improvement during the third quarter given strong earnings reports from their top holdings such as Amazon, Microsoft, and Google.
4. The WF Short duration Bond fund is part of the component funds utilized within the target date funds. The name of the firm has changed to Allspring and the 3 and 5 year relative performance places them just a few basis points behind the peer group median and index. Duration position on a relative basis caused them to miss expectations in the near term but they should bounce back quickly when rate moves subside.

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

Action: This is a discussion only item.

ADMINISTRATION CALENDAR

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| 14. 091522-14 | Action Item | Approval of President's Committee Assignments (THIS ITEM WAS CONTINUED FROM THE JULY 14, 2022 RETIREMENT BOARD MEETING) |
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Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum

President Safaí recommended the following committee assignments for 2022:

COMMITTEE	CHAIR	MEMBERS	CONSULTANT	STAFF/LEGAL LIAISON
Deferred Compensation	Bridges	Thomas, Driscoll	Callan	Diane Chui Justen, Cecilia Mangoba
Governance	Safai	Bridges, Driscoll	Nossaman	Alison Romano, Caryn Bortnick, Cecilia Mangoba
Investment	Heldfond, Gandhi -Vice Chair	Committee of the Whole	NEPC	Alison Romano, Cecilia Mangoba
Operations Oversight	Gandhi	Thomas, Stansbury		Caryn Bortnick, Cecilia Mangoba
Personnel	Stansbury	Thomas, Heldfond	Nossaman	Alison Romano, Grace Tam, Cecilia Mangoba

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

Action: Moved by Commissioner Thomas, seconded by Commissioner Heldfond, to approve President’s Committee Assignments.

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

Absent: Commissioners Gandhi, Stansbury

**15. 091522-15 Action Item Amended Schedule of FY2023 Retirement Board Meetings
 (THIS ITEM WAS CONTINUED FROM THE JULY 14, 2022
 RETIREMENT BOARD MEETING)**

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

On March 10, 2022, the Board approved an amended schedule for the remainder of the fiscal year 2023. Due to a conflict with President Safai’s meeting obligations at the Board of Supervisors, the schedule and start times of the remaining FY2023 Retirement Board Meetings are amended as follows:

- Thursday, September 15, at 11:00
- Thursday, October 20, at 11:00
- Thursday, November 17, at 11:00
- Thursday, December 15, at 11:00
- Thursday, January 19, at 11:00
- Thursday, February 16, at 11:00
- Thursday, March 16, at 11:00

Thursday, April 20, at 11:00
Thursday, May 18, at 11:00
Thursday, June 15, at 11:00

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Thomas, to approve Amended Schedule of 2022 Retirement Board Meetings.

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

16. 091522-16 Action Item Review and Acceptance of the July 1, 2022 Supplemental COLA Analysis

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Supplemental COLA Analysis as of July 1, 2022.

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

San Francisco Charter Section A8.526-3 provides in part that supplemental cost of living benefits could be payable if “in the previous fiscal year, there were earnings in excess of the expected earnings on the actuarial value of the assets.”

Cheiron’s Supplemental COLA Analysis of July 1, 2022 reported that there were no excess earnings during fiscal year ending June 30, 2022 and that no Supplemental COLA is payable effective July 1, 2022.

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

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Driscoll, to accept Cheiron's Supplemental COLA Analysis as of July 1, 2022 and direct Retirement staff to notify SFERS retirees that no Supplemental COLA is payable effective July 1, 2022.

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

17. 091522-17 Action Item Request to Enclose Combined Charities Campaign Correspondence in the September 2022 Retirement Allowances

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Combined Charities Campaign Letter, Retiree Pledge Form, Changes to the 2022 Combined Charities Campaign.

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

Action: Moved by Commissioner Driscoll, seconded by Commissioner Heldfond, to approve the request to enclose Combined Charities Campaign correspondence in the September 2022 Retirement Allowances.

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

18. 091522-18 Discussion Item 2022 Review of Economic Assumptions

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Cheiron's review of Economic Assumptions dated September 15, 2022.

Janet Brazelton, Actuarial Services Coordinator; Bill Hallmark, Anne Harper, Cheiron, provided an oral and written report on this item.

The Retirement Board reviews the long-term economic assumptions annually in accordance with its Monitoring and Reporting Policy. The assumptions below were adopted by the Board for the July 1, 2021 actuarial valuations:

Assumption	July 1, 2021
Discount Rate	7.20%
Price Inflation	2.50%
Ultimate Wage Inflation	3.25%
Amortization Payment Growth Rate	3.25%

Cheiron proposed no changes to the price inflation, ultimate wage inflation, and amortization payment growth rate assumptions for the July 1, 2022 actuarial valuation. Cheiron asked that the Board consider three discount rate options: 6.80%, 7.00%, and 7.20%.

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

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

Action: This is a discussion only item.

19. 091522-19 Discussion Item Travel Expense Report for the Quarter Ended June 30, 2022

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Travel Expense Report for the Quarter Ended June 30, 2022.

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

Action: This is a discussion only item.

20. 091522-20 Discussion Item July 2022 Quarterly SFERS Retirement Services Dashboard

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum
In-Person public comment was called.

Caryn Bortnick, Chief Operating Officer, prepared an oral and written report on this item.

The Retirement Services Division prepared a dashboard which summarizes key services provided the Retirement Services team. The dashboard will be updated and provided to the Retirement Board quarterly.

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

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

Action: This is a discussion only item.

21. 091522-21 Discussion Item Chief Executive Officer's Report

Documents provided to the Retirement Board prior to the current meeting: Executive Director's Report, Retirement Board Forward Calendar for September 2022 to July 2023, Request for Proposal in Progress Blackout Periods, and Public Retirement Conferences.

Alison Romano, Chief Executive Officer & Chief Investment Officer, reported on the following items:

Charter Amendments In Progress

- File No. 220633 Charter Amendment – Forfeiture of Pension Benefits
- File No. 220640 Charter Amendment – Retiree Supplemental Cost of Living Adjustment; Retirement Board Contract with Executive Director

Update on In-Office work

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

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

Action: This is a discussion only item.

22. 091522-22 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.

President Safaí spoke about having staff and consultants to begin attending Board meetings in-person.

In-Person public comment was called.

No public present, and In-Person public comment was closed.

Public comment Callers was called.

There were no callers and public comment was closed.

Action: This is a discussion only item.

23. 091522-23

Adjournment

Having no further business, the Board adjourned the meeting at 3:55 PM