



SFERS

San Francisco Employees' Retirement System

City and County of San Francisco Employees' Retirement System

RETIREMENT BOARD MEETING

MINUTES

Thursday, December 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 11:30 AM.

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: **2498 806 0172** 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, December 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: 2498 806 0172

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 [**2498 806 0172**], 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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Materials accompanying the agenda are available for public inspection and copying at SFERS, 1145 Market Street, 7th Floor. For additional information, please contact Darlene Armanino, Executive Assistant, at (415) 487-7012.

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(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. FOR MORE INFORMATION ON YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE OR TO REPORT A VIOLATION OF THE ORDINANCE, CONTACT THE SUNSHINE ORDINANCE TASK FORCE.

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	11:02 PM
	Commissioner Joseph Driscoll	11:02 PM
	Commissioner Shruti Gandhi	11:02 PM
	Commissioner Scott Heldfond	11:02 PM
	Commissioner Ahsha Safai	Absent
	Commissioner Brian Stansbury	Absent
	Commissioner A.J. Thomas	11:02 PM

2. Communications

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

- 3. 121522-03 Action Item Review and Approval of December 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 2022.12.15.

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 Bridges, seconded by Commissioner Thomas, to adopt the December 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, Gandhi, Heldfond, Thomas
Absent: Commissioners Safaí, Stansbury

4. 121522-04 Discussion Item CLOSED SESSION

Public comment on Closed Session items.

Commissioner Heldfond announced that the Retirement Board would be going into Closed 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.

The Board entered Closed Session 4 – Action Item: Possible Recommendation and/or Action on Sale and Purchase of Particular, Specific Pension Fund Investment under California Government Code Section 54956.81 (2 investments) at 11:15 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 Driscoll, Heldfond, Gandhi, Thomas; Caryn Bortnick, Chief Operating Officer; Tanya Kemp, Managing Director, Private Markets; Ed Comerford, Director, Private Markets; Justin Lo, Director, Private Equity; Cecilia Mangoba, 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: Commissioner Bridges; Alison Romano, CEO & CIO; Kurt Braitberg, Managing Director, Public Markets; Anna Langs, Managing Director, Asset Allocation, Risk Management and Innovative Solutions; David Francl, Managing Director, Absolute Return; Han Pham, Director, Public Equity; Andrew Collins, Director, ESG; Eunice McHugh, Director, Private Credit; Chris Chow, Director, Private Markets; Eunice McHugh, Director, Public Markets; Alo Martins, Rishi Garbharran, Senior Portfolio Managers; Chris Terrazzano, Chris Wisdom, Brady Jewett, James Kraft, Associate Portfolio Managers; Adrienne von Schulthess, Cynthia Wong, Dennis Esselsagoe, Kien Trinh, Investment Officers; Ba Do, Investment Operations Manager; Molly Nordale, Tran Ly, Jessica Lo, Deputy City Attorneys; Allan Martin, NEPC; Anita Ng, Kelly Jensen, Charlie Koegler, Cambridge.

The Board ended Closed Session at 11:35 AM.

The Board returned to Open Session at 11:40 AM.

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 Gandhi, 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, Gandhi, Heldfond, Thomas

Absent: Commissioner Safaí, Stansbury

5. 121522-05 General Public Comment – Not earlier than 11:30 AM

Commissioner Heldfond called for General Public Comment.

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. 121522-06 Action Item Approval of the Minutes of the November 17, 2022 Retirement Board Meeting

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the November 17, 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 Bridges, seconded by Commissioner Thomas, to approve the Minutes of the November 17, 2022 Retirement Board Meeting.

Ayes: Commissioners Bridges, Driscoll, Gandhi, Heldfond, Thomas
 Absent: Commissioner Safaí, 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. 121522-07	Action Item	Consent Calendar
121522-07b	Action Item	Voluntary Retirement Board List No. 06-22
121522-07c	Action Item	Decisions of Hearing Officers
Daggs, Kendal V. Effective Date: PERS	8310 Sheriff's Lieutenant Sheriff	CalPERS - Disability Retirement Certified/Denied
Little, Julia Effective Date: 07/01/2021	Q003 Police Officer II Police	Industrial Disability Retirement Granted
McKinnie, Valerie J. Effective Date: 04/01/2018	3597 School Aide II SF Community College District	Ordinary Disability Retirement/Stip Granted
Poyer, Mark A. Effective Date: 01/07/2022	H003 EMT/Paramedic/Firefighter Fire	Industrial Disability Retirement Granted
Thompson, David J. Effective Date: PERS	8304 Deputy Sheriff Sheriff	CalPERS - Disability Retirement Certified/partial
Whitfield, Kevin M. Effective Date: 06/30/2018	0382 Inspector III Police	Industrial Disability Retirement/Stip Granted
121522-07d	Action Item	Travel Request
121522-07e	Discussion Item	Retirement Board Member Reports and Comments

Report by Commissioner A.J. Thomas who attended the SACRS Fall Conference, Long Beach, CA, November 8-12, 2022.

Documents provided to the Retirement Board prior to the current meeting: Voluntary Retirement Board List, Decisions, Board 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 Driscoll, seconded by Commissioner Gandhi, to approve Consent Calendar.

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

Absent: Commissioner Safaí, Stansbury

INVESTMENT CALENDAR

8. 121522-08 Discussion Item Report on Investment Performance of the Retirement Fund for the Quarter Ended September 30, 2022

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, NEPC – Executive Summary: Quarterly Performance Review, NEPC – Investment Performance Analysis.

Kurt Braitberg, Managing Director, Public Markets; Allan Martin, NEPC, provided an oral and written report on this item.

For the quarter ended September 30, 2022, the Retirement Fund was valued at \$32.4 Billion. The net of fee total returns for the quarter and the trailing one-year were -2.94% and -8.73%, respectively.

Allan Martin, NEPC provided an Investment Performance Analysis with a detailed review of the market environment as well as risk and return information at the Total Fund and Asset Class levels.

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.

Board recessed at 12:20 pm
Returned to Open Session at 12:34 pm

9. 121522-09 Discussion Item Chief Investment Officer's Report

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

Kurt Braitberg, Managing Director, Public Markets, provided an update on investment market environment, preliminary performance, and plan value.

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.

DEFERRED COMPENSATION PLAN CALENDAR

10. 121522-10 Discussion Item San Francisco Deferred Compensation Plan Manager Report

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, October 2022 Monthly Activity Report.

Diane Chui Justen, Deferred Compensation Director, provided the Monthly Activity Report.

It was announced that T. Rowe Price has been selected as the new Target Date Fund Manager. Russell's contract will be extended until June 2023 at which time the new Target Date Fund will be rolled out.

The next Deferred Compensation Committee meeting is scheduled for January 2023.

The weekly webinars will be reduced in 2023 to encourage the counselors to get out into the field more since more people are returning to the office.

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

11. 121522-11 Discussion Item Schedule of 2023 Retirement Board and Committee Meetings

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

Caryn Bortnick, Chief Operating Officer, provided a schedule of 2023 Retirement Board and Committee meetings.

Commissioner Heldfond encouraged the Board to work with staff on scheduling the Committee meetings for 2023.

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.

12. 121522-12 Discussion Item Fiduciary Governance Training

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

Cecilia Mangoba, Deputy City Attorney and Ashley K. Dunning and Yuliya Oryol, Nossaman LLP, presented to the Board fiduciary duties and the roles and responsibilities of Trustees as well as an educational background on prudent delegation of fiduciary duty.

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.

13. 121522-13 Discussion Item Chief Executive Officer's Report

Documents provided to the Retirement Board prior to the current meeting: Chief Executive Officer's Report, Retirement Board Forward Calendar for FY2023, Request for Proposal in Progress Blackout Period, and Public Retirement Conferences.

Caryn Bortnick, Chief Operating Officer, reported retirements of Senior Managers at the end of the year.

Grace Tam, Human Resources Director and Craig Lee, IT Director.

The Special Needs Ordinance that was before the Board of Supervisors was approved.

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

Commissioner Heldfond extended congratulations to Grace Tam and Craig Lee on behalf of the Board and appreciates their years of service and professionalism.

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.

14. 121522-14 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 Heldfond commented on carrying out his fiduciary duties and thanked staff on behalf of the Board.

Commissioner Driscoll wished staff Happy Holidays.

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.

15. 121522-15

Adjournment

Having no further business, the Board adjourned the meeting at 2:20 PM.