



# City and County of San Francisco Employees' Retirement System

RETIREMENT BOARD MEETING

CALENDAR

**Wednesday, August 12, 2020**

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.

## **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, 6<sup>th</sup> Floor, is closed.** Commissioners and Retirement Staff will convene remotely. The special Retirement Board meeting will be streamed live on SFGovTV ([www.sfgovtv.org](http://www.sfgovtv.org)) and the public 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](mailto:sferspubliccomment@sfgov.org) or (2) recording your public comment on the Retirement System's public comment line 415-487-7020. Public comments submitted by 5:00 p.m. PST, Monday, August 10, 2020 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, President

Al Casciato, Vice President

Carmen Chu

Joseph Driscoll

Scott Heldfond

Ahsha Safaí

Brian Stansbury

Jay Huish, Executive Director

## Remote Retirement Board Meeting

**\*\*During Live Meeting Only \*\***

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**PUBLIC COMMENT CALL-IN:** 408-418-9388 Access Code: 146 990 7594

### Providing Public Comment

- Public comment will be available on each item on this agenda. Both Channel 26 and SFGOVTV.org are streaming the number across the screen. 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 (408) 418-9388, access code [146 990 7594], 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.

### DISABILITY ACCESS

The San Francisco Employees' Retirement System is wheelchair accessible. Accessible seating is available for persons with disabilities. To obtain a disability-related modification or accommodation, including large print agendas, American Sign Language interpreters, FM sound amplification system and auxiliary aids or services, please contact Darlene Armanino at (415) 487-7012 at least two (2) business days before the meeting.

There is accessible parking in the vicinity of 1145 Market Street at Civic Center Plaza. Accessible **MUNI** lines are available at the corner of Market Street and 8<sup>th</sup> Street. The closest accessible **MUNI /BART** station is Civic Center Station.

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.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

**The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.**

### **Know Your Rights Under the Sunshine Ordinance**

#### **(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](mailto:sotf@sfgov.org)

**Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Mr. Darby or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, <http://www.sfgov.org/sunshine/>**

Any materials distributed to the Retirement Board (or committee) within 72 hours of the meeting or after distribution of the agenda packet to Board (or committee) members are available for public inspection at SFERS, 1145 Market Street, 7<sup>th</sup> Floor, during regular office hours.

#### **Lobbyist Registration and Reporting Requirements:**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (San Francisco Campaign and Governmental Conduct Code sections 2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94103, telephone (415) 252-3100, fax (415) 252-3112 and web site: [www.sfgov.org/ethics](http://www.sfgov.org/ethics)

Meetings are recorded by SFGovTV, the Government Channel 26. For DVD copies and rebroadcast scheduling call (415) 554-4188. Video on demand is available at: <http://sfgovtv.org>



**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.*

<b>6.</b>	<b>081220-06</b>	<b>Action Item</b>	<b>Consent Calendar</b>
	<b>081220-06b</b>	<b>Action Item</b>	<b>Voluntary Retirement Board List No. 02-20</b>
	<b>081220-06c</b>	<b>Action Item</b>	<b>Decisions of Hearing Officers</b>
	Clinnis Dentley Effective Date: 8/29/18	9163 Transit Operator MTA	Ordinary Disability Retirement/Stip Granted
	Gabriel A. Fernandez Effective Date: 11/3/18	6319 Senior Construction Inspector DPW	Ordinary Disability Retirement/Stip Granted
	Ma K. Hmwe Effective Date: 11/1/2016	9163 Transit Operator MTA	Ordinary Disability Retirement Granted ( <b>VR – 12/1/18</b> )
	Renota C. Martinez Effective Date: 3/16/18	Q62 Lieutenant III Police	Industrial Disability Retirement/Stip Granted ( <b>Date of Death – 4/13/18</b> )
	Richard E. McGee Effective Date: 7/1/17	H40 Battalion Chief, Fire Suppression Fire	Industrial Disability Retirement/Stip Granted
	Ana Morales Effective Date: 6/30/18	Q4 Police Officer III Police	Industrial Disability Retirement/Stip Granted
	Matthew M. O'Shea Effective Date: PERS	8308 Sheriff's Sergeant Sheriff	Cal-PERS - Disability Retirement Certified
	Karen E. Pandolfi Effective Date: 8/1/17	Q4 Police Officer III Police	Industrial Disability Retirement/Stip Granted
	Theodore J. Russo Effective Date: PERS	8205 Institutional Police Sergeant Community College District	Cal-PERS - Disability Retirement Certified
	<b>081220-06d</b>	<b>Action Item</b>	<b>Travel Requests</b>

**081220-06e**

**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.

**Action:** Approve Consent Calendar.

**INVESTMENT CALENDAR**

7. **081220-07**      **Action Item**      **Approval of a Revised Investment Policy Statement (IPS) and Processes and Procedures for SFERS' Securities Lending Program.**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Revised SFERS Investment Policy Statement (marked), Revised SFERS Investment Policy Statement (unmarked), Internal Processes and Procedures for SFERS' Securities Lending Program with BNY Mellon

**Action:** Approve the recommended changes to the San Francisco City and County Employees' Retirement System's Investment Policy Statement and the attendant Processes and Procedures for SFERS' Securities Lending Program.

8. **081220-08**      **Action Item**      **Recommendation to Hire Alatus Capital to manage a European public equity portfolio for up to \$300 million.**

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

**Action:** Move that the Retirement Board of the San Francisco City and County Employees' Retirement System approve the engagement of Alatus Capital for active investment management services for up to \$300 million.

9. **081220-09**      **Action Item**      **Recommendation to Issue a Request for Proposals for Private Credit Investment Consulting Services**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Proposed RFP for private credit investment consulting services.

**Action:** Approve recommendation to issue a Request for Proposals for Private Credit investment consulting services.

**10. 081220-10                      Action Item                      Recommendation to Issue a Request for Proposals for Private Equity Investment Consulting Services**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Proposed RFP for Private Equity investment consulting services.

**Action:** Approve recommendation to issue a Request for Proposals for Private Equity investment consulting services.

**11. 081220-11                      Action Item                      Recommendation to Issue a Request for Proposals for Private Markets Reporting Consulting Services**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Proposed RFP for performance consulting services

**Action:** Approve recommendation to issue a Request for Proposals for monitoring, reporting and performance measurement consulting services.

**12. 081220-12                      Action Item                      Recommendation to Hire Cambridge Associates for Real Assets Consulting Services**

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

**Action:** Staff recommends that SFERS retain Cambridge Associates as the primary Real Assets consultant.

**13. 081220-13                      Action Item                      Recommended Statement of Objectives, Guidelines and Procedures for PIMCO Multi-Sector Fixed Income Portfolio**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Statement of Objectives, Guidelines and Procedures for PIMCO Multi-Sector Fixed Income portfolio

**Action:** Move that the Retirement Board of the San Francisco City and County Employees' Retirement System approve the proposed Guidelines for the multi-sector fixed income portfolio to be managed by PIMCO.

**14. 081220-14 Discussion Item Chief Investment Officer Report**

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

**Action:** This is a discussion only item.

**DEFERRED COMPENSATION PLAN CALENDAR**

**15. 081220-15 Discussion Item Deferred Compensation Manager Report**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, SFDCP Manager Memorandum for Q2 2020, Quarterly Activity Report as of June 30, 2020, SFDCP Counselor Introduction Flyer, SFDCP Counselor Introduction Email, Updated CARES Act Flyer, Voya Security Snapshot

**Action:** This is a discussion only item.

**16. 081220-16 Discussion Item Review of SFDCP Investment Performance for the First Half of 2020**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Performance Summary, Investment Measurement Service Quarterly Review

**Action:** This is a discussion only item.

**ADMINISTRATION CALENDAR**

**17. 081220-17 Discussion Item Review of Demographic Experience Study**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Presentation by Cheiron: Demographic Experience Study as of June 30, 2019, Report by Cheiron: Demographic Experience Study as of June 30, 2019

**Action:** This is a discussion only item.

**18. 081220-18 Action Item Approval of President's Appointments to Committees**

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



**Action:** Approve President’s Recommended Committee Assignments.

**19. 081220-19 Discussion Item Travel Expense Report for the Quarter Ended June 30, 2020**

Documents provided to the Retirement Board prior to the current meeting: Travel Expense Report for the Quarter Ended June 30, 2020

**Action:** This is a discussion only item.

**20. 081220-20 Discussion Item Executive Director’s Report**

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

Administrative Update:

- California Supreme Court decision – *Alameda County Deputy Sheriff’s Assoc. et al., v Alameda County Employees’ Retirement Assn., et al.* (2020) – summary and analysis
- Follow-up: *Department of Labor Proposes Rule to Crack Down on ESG* – SFERS Staff Comment submitted to DOL dated July 29, 2020

Attachments for Informational Purposes:

- *“California high court rules against pension ‘spiking’”* by Arleen Jacobius – Pension and Investments, July 31, 2020
- *“The California Supreme Court Addresses the California Rule and Public Retirement System Governance”* – Nossaman eAlert, July 31, 2020
- *“DOL Proposes Rule to Crack Down on ESG”* – Groom Law Group, June 25, 2020
- SFERS Staff Comments provided to Department of Labor re: Proposed Rule – “Financial Factors in Selecting Plan Investments” dated July 29, 2020
- Retirement Board Forward Calendar for September 2020 to August 2021
- Request for Proposal in Progress Blackout Period
- *Public Retirement Conferences and Training Programs for SFERS Trustees* – Nossaman LLP

**Action:** This is a discussion only item.

**21. 081220-21 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.

**Action:** This is a discussion only item.

**22. 081220-22**

**Adjournment**