



SFERS

San Francisco Employees' Retirement System

City and County of San Francisco
Employees' Retirement System

DEFERRED COMPENSATION

COMMITTEE MINUTES

Monday, September 28, 2020

10:00 AM

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 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 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, September 25, 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.

DEFERRED COMPENSATION COMMITTEE MEMBERS

Al Casciato, Chair
Leona Bridges
Joseph Driscoll

Jay Huish
Executive Director

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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 94102-4689
(415) 554-7724
by fax at (415) 554-7854
or by email at sotf@sfgov.org

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Deferred Compensation Committee Meeting

PUBLIC COMMENT CALL-IN: 408-418-9388 Access Code: 146 199 0303

- 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 (408) 418-9388, access code [146 199 0303], 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.

OPENING CALENDAR

- 1. Roll Call**
- | | |
|-----------------------|----------|
| Commissioner Bridges | 10.00 AM |
| Commissioner Casciato | 10:00 AM |
| Commissioner Driscoll | 10:00 AM |

2. 092820-02 General Public Comment

Chair Casciato called for General Public Comment.

There were no public comments and General Public Comment was closed.

3. 092820-03 Action Item Approval of the Minutes of the August 31, 2020 Deferred Compensation Committee Meeting

Documents provided to the Committee prior to the current meeting: Draft Minutes of the August 31, 2020 Deferred Compensation Committee Meeting.

Chair Casciato called for public comment.

There were no public comments and public comment was closed.

Action: Moved by Commissioner Driscoll, Seconded by Commissioner Bridges, to approve Minutes of the August 31, 2020 Deferred Compensation Committee Meeting.

Ayes: Commissioners Bridges, Casciato, Driscoll

4. 092820-03 Action Item Approval to Issue Request for Proposals for SFDCP Investment Consulting Services

Documents provided to the Committee prior to the current meeting: Staff Memorandum and draft Request for Proposals.

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

Mr. Huish reported that the investment consulting contract with Callan, the current SFDCP investment consultant, expires on June 30, 2021. In accordance with Board policy which requires this contract to be publicly bid at least every five years, Mr. Huish presented a draft Request for Proposal to the Committee for approval to bring before the full Board at the October meeting for approval. The timeline detailed in the proposed Request for Proposals will provide sufficient time for evaluation of the responses and recommendations from the evaluation team prior to the expiration of the

current agreement with Callan.

Staff recommends that SFDCP issue the Request for Proposals to solicit proposals from qualified firms to provide investment consulting services for SFDCP commencing July 2021.

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

Commissioner Driscoll asked for timeline for the full board to approve hiring to meet June contract expiration date. Mr. Huish responded that it would be no later than the May Board meeting for the full Board to approve.

Commissioner Driscoll asked when proposals would be available for inspection by Committee and Board members. Mr. Huish responded that after deadline of December 14th hard copies would be available for Committee and Board members' inspection at SFERS offices as soon as proposals are received.

Commissioner Driscoll asked who would be on the scoring committee working on the RFPs. Mr. Huish responded that Diane Chui Justen, SFDCP Manager, Steve Moy, SFDCP Manager, Kurt Braitberg, SFERS Managing Director for Public Markets, and he would be on the evaluation team.

Chair Casciato called for public comment.

There were no comments and public comment was closed.

Action: Moved by Commissioner Bridges, Seconded by Commissioner Driscoll, to forward Staff's recommendation to issue a Request for Proposals for investment consulting services for the SFDCP to the full Board with a Committee recommendation to approve.

Ayes: Commissioners Bridges, Casciato, Driscoll

5. 092820-05 Discussion Item Review of FY2020-2022 SFDCP Budget

Documents provided to the Committee prior to the current meeting: Staff Memorandum.

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

During the Mayor's Budget Office and Board of Supervisors' review of the requested budget, the following adjustments were made and approved by the Mayor and Board of Supervisors primarily as a result of the difficult financial circumstances the City is facing as a result of the COVID-19 pandemic:

- The requested new 1209- Benefit Technician- position was denied by the Mayor's Budget Office
- The requested substitution from 1813 -Senior Benefits Analyst position to 1814- Benefits

- Supervisor position was denied by the Mayor's Office
- Air Travel budget was reduced from \$3000 to \$1500 by the Board of Supervisors
- Professional Services budget was reduced from \$235,000 to \$210,000 by the Board of Supervisors

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

Chair Casciato asked where the dollars are used and whether the SFDCP budget was funded with City General Fund monies or by the SFDCP. Mr. Huish responded that there is no City General Fund money that is used to support the administration of the Deferred Compensation Program. The monies to support the SFDCP administrative budget are SFDCP participant monies, deducted directly from SFDCP participants' accounts. There is an administration fee charged to each Participant which is placed into an account which is used to fund the SFDCP budget.

Chair Casciato and Robert Bryan, City Attorney, discussed fiduciary duties. Mr. Huish offered to work with Mr. Bryan offline on providing written legal advice letter related to fiduciary duties.

Chair Casciato called for public comment.

There were no comments and public comment was closed.

Action: This is a discussion only item.

6. 092820-06 Discussion Item 2020-2021 Committee Forward Calendar

Documents provided to the Committee prior to the current meeting: Staff Memorandum.

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

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

Chair Casciato called for public comment.

There were no comments and public comment was closed.

Action: This is a discussion only item.

7. 092820-07 Discussion Item Deferred Compensation Manager Report

Documents provided to the Committee prior to the current meeting: Deferred Compensation Manager Report.

Steve Moy, Deferred Compensation Program Manager and Brian Merrick, Voya, presented an oral and written report on this item.

Mr. Moy reported receipt of a participant letter and confirmed that Voya and staff are thoroughly researching issues documented in letter and will provide response to Participant after review.

The following items were discussed:

- National Retirement Security Month
- Self-Directed Brokerage Account Update
- Distributions – Rollovers Out

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

Commissioner Driscoll asked if any of calendared seminars will be focused on distributions. Mr. Moy responded that they are looking at focusing on distributions in a future seminar.

Commissioner Driscoll asked that "Good of the Order" be placed on Calendars moving forward. Mr. Huish confirmed.

Chair Casciato called for public comment.

There were no comments and public comment was closed.

Action: This is a discussion only item.

8. 092820-06 Adjournment

Having no further business, the Committee adjourned the meeting at 10:45 AM

Respectfully submitted,



Jay Huish, Executive Director