



# SFERS

San Francisco Employees' Retirement System

City and County of San Francisco  
Employees' Retirement System

## OPERATIONS OVERSIGHT

## COMMITTEE MINUTES

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Tuesday, December 1, 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, 6<sup>th</sup> Floor, is closed.** Commissioners and Retirement Staff will convene remotely. The public may listen to the committee meeting "live" by dialing **415-655-0001** and using **Access Code: 146 620 5612** 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](mailto: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, November 27, 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.*

### **OPERATIONS OVERSIGHT COMMITTEE**

Carmen Chu, Chair  
Ahsha Safai  
Brian Stansbury

Jay Huish  
*Executive Director*

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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](mailto:sotf@sfgov.org)

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## **Operations Oversight Committee Meeting**

**PUBLIC COMMENT CALL-IN: 415-655-0001** Access Code: 146 620 5612

### **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 [146 620 5612], 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.



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

Chair Chu recommended that the Committee have a conversation about certain areas the Committee might want to build around to include in the Terms of Reference and then to bring back to another meeting the proposed changes to vote on.

Commissioner Stansbury referred to the Committee Chair on items to be added or edited to be brought back to the Committee. Commissioner Stansbury suggested members be provided with a ticket number when calling for tracking purposes and to improve phone calls being answered.

Chair Chu stated she would work with Staff and will explore Operations in this process in addition to customer service, data security and operational risk and will move forward with that and not take any action at this time.

Commissioner Stansbury asked if cyber security discussions should be held in Closed Session. Robert Bryan, City Attorney, stated that he would look into this and get back to the Committee.

Mr. Huish asked that the Operations Oversight Committee be responsible for the development of the Strategic Plan (operational side) which does not include the investment side of the Strategic Plan. Chair Chu stated that this matter should be brought to the full Board to weigh in on.

Chair Chu called for public comment.

There were no callers and public comment was closed.

**Action:** Moved by Commissioner Stansbury, Seconded by Commissioner Chu, to continue this item to the next meeting for discussion and possible amendment to the Operations Oversight Committee Terms of Reference to the Governance Committee for consideration and approval.

Ayes: Commissioners Chu, Stansbury

Absent: Commissioner Safaí

Chair Chu called Item #6

**6. 120120-06 Discussion Item Preliminary Discussion of FY2021-2022 Department Budget**

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

Chair Chu spoke about the budget process and asked that this item be brought back in January to allow staff an opportunity to review feedback from Committee.

The following division directors made presentations to the Operations Oversight Committee discussing their budget priorities for the upcoming Fiscal Year budget:

- Caryn Bortnick, Deputy Executive Director - Retirement Operations Division, Operational Risk Management and Quality Assurance Division, Communications Division, and Investment Operations Division
- Bill Coaker, Chief investment Officer - Investment Division
- Steve Moy, Acting SFDCP Director - SFDCP Division

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

Chair Chu called for public comment.

There were no callers and public comment was closed.

**Action:** Moved by Commissioner Stansbury, Seconded by Commissioner Safaí to continue this item to the next meeting.

Ayes: Commissioners Chu, Safaí, Stansbury

**5. 120120-05 Discussion Item Overview of Operations Risk Management and Quality Assurance Program**

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

Derwin Brown, Operational Risk Management and Quality Assurance Director presented an oral and written report on this item.

Mr. Brown reported that the purpose of the Risk Assessment and Quality Assurance Division is to establish and achieve the following long-term goals through quality audits and continual improvement initiatives:

- Evaluate and assess business process controls for compliance and efficiency
- Develop audit criteria to measure business processes efficiency
- Provide recommendations for improvements to business processes
- Develop performance metrics and standards

Mr. Brown reported that the focus of the Operations Risk Assessment and Quality Assurance initiative will be to improve efficiency, standardize business procedures, measure and report service levels and empower staff in the Retirement Services Division.

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

Chair Chu called for public comment.

There were no callers and public comment was closed.

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

**7. 120120-07      Action Item      Operations Oversight Committee Forward Calendar**

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

Chair Chu stated that she would like to find a time in January to go over Terms of Reference and budget items to be timely in forwarding a Budget recommendation to the full Board by the time they are due in February.

Chair Chu asked that the Operations Oversight Committee meetings be held quarterly to address different issues as they arise.

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

Mr. Huish reported that Staff priorities to be calendared by the Committee in 2021 include:

- Committee review of department budget proposal for Fiscal Years 2021-22 and 2022-23 (to be presented to the full Board at its February 2021 Board meeting)
- Presentation of 2020 SFERS Financial Statements (anticipated release date: December 2020)
- Review of SFERS Strategic Plan

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

Chair Chu called for public comment.

There were no callers and public comment was closed.

**Action:** No action was taken.

**8. 120120-08 Discussion Item Operations Management Committee Member Good of the Order**

Committee 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 Committee 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.

Chair Chu called for public comment.

There were no callers and public comment was closed.

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



**9. 120120-09**

**Adjournment**

Having no further business, the Committee adjourned the meeting at 12:00 PM

Respectfully submitted,



Jay Huish, Executive Director