



SFERS

San Francisco Employees' Retirement System

City and County of San Francisco Employees' Retirement System

DEFERRED COMPENSATION

COMMITTEE MINUTES

Wednesday, March 30, 2022

1145 Market Street, 6th Floor

San Francisco, CA 94103

1:00 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 Deferred Compensation Committee 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 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: **2487 535 9269** 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, March 28, 2022 will be included in the record.

MISSION STATEMENT

Deliver an exceptional voluntary retirement program, with empowering education and advanced tools that enable participants to achieve their financial retirement goals.

DEFERRED COMPENSATION COMMITTEE MEMBERS

Leona Bridges, Chair

Joseph Driscoll

A.J. Thomas

Jay Huish, Executive Director

Deferred Compensation Committee Meeting

PUBLIC COMMENT CALL-IN: 415-655-0001

Access Code: 2487 535 9269

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 [**2487 535 9269**], 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)

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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Commissioner Bridges called for public comment Callers.

There were no callers and public comment was closed.

Action: Moved by Commissioner Driscoll, Seconded by Commissioner Thomas, to approve Minutes of the December 15, 2021 Deferred Compensation Committee Meeting.

Ayes: Commissioners Bridges, Driscoll, Thomas

COMMISSIONER BRIDGES CALLED ITEM #6

6. 032022-06 Action Item Plan Admin Fee Discussion

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Callan's Fee Analysis.

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

The cost to administer the City and County of San Francisco Deferred Compensation 457(b) Plan (SFDCP) is borne by the participants of the Plan. Administration includes, but is not limited to, recordkeeping, tax reporting, plan management and development, education and marketing, participant interaction and outreach, legal, investment consulting, payroll processing, and trust accounting. These duties are shared between Voya and the City and County of San Francisco (CCSF) Staff.

Callan recommends reducing the CCSF Administration fee to 2.5 bps. Should the Plan move forward with this reduction, and Voya fees remaining unchanged, total participant costs decreases to 6.25 bps annually, or 1.56 bps per quarter.

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

Commissioner Bridges called for In-Person public comment.

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

Commissioner Bridges called for public comment Callers.

There were no callers and public comment was closed.

Action: Moved by Commissioner Driscoll, Seconded by Commissioner Thomas, to approve administrative fee reduction and forward to the Retirement Board with a recommendation for approval.

Ayes: Commissioners Bridges, Driscoll, Thomas

5. 032022-05 Discussion Item SFDCP Target Date Funds - Request for Proposal

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Callan's Custom Glidepath Manager RFP Timeline and Process.

Diane Chui Justen, Deferred Compensation Director, Ben Taylor, Callan, provided an oral and written report on this item.

Russell Investments (Russell) is the current Target Date Funds Investment Manager for the SFDCP. The Target Date Funds (TDF) are the SFDCP's default investment alternative. The Retirement Board approved the SFDCP to re-enter into a five-year contractual agreement with Russell on May 9, 2016, as the result of a Request for Proposal process (RFP). The contract was successfully negotiated and effective January 1, 2017; it is set to expire on December 31, 2022.

Callan's presentation proposed Bidder Minimum Qualifications, Scope of Services, RFP timeline and recommended scoring weights for the Target Date Funds RFP. Staff will present the final RFP draft at the next Deferred Compensation Committee meeting so the DCC can formally forward it to the Retirement Board with a recommendation for approval.

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

Commissioner Bridges called for In-Person public comment.

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

Commissioner Bridges called for public comment Callers.

There were no callers and public comment was closed.

Action: This is a discussion only item.

7. 032022-07 Discussion Item San Francisco Deferred Compensation Plan Manager Report

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, February Monthly Activity Report, Q4 IMS Report, Voya Presentation.

Diane Chui Justen, Deferred Compensation Director, Greg Ungerman, Callan, Brian Merrick, Voya, provided an oral and written report on the following:

- Investment Performance through February 2022
- RMD Mailing
- Voya Update

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

Commissioner Bridges called for In-Person public comment.

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

Commissioner Bridges called for public comment Callers.

There were no callers and public comment was closed.

Action: This is a discussion only item.

8. 032022-08 Discussion Item Deferred Compensation 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.

Commissioner Bridges asked for an update on plans for participant education. Ms. Chui Justen spoke about the possibility of holding seminars in the Library now that the City is starting to open up to the public, along with the successful webinars which are currently offered.

Commissioner Driscoll spoke about a financial literacy program at the library that we might want to offer.

Commissioner Bridges called for In-Person public comment.

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

Commissioner Bridges called for public comment Callers.

There were no callers and public comment was closed.

Action: This is a discussion only item.

9. 032022-09

Adjournment

Having no further business, the Committee adjourned the meeting at 2:40 PM

Respectfully submitted,



Jay Huish, Executive Director