



## City and County of San Francisco Employees' Retirement System

### DEFERRED COMPENSATION COMMITTEE MINUTES

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**Thursday, May 26, 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 467 9580** 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, Monday, May 23, 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 467 9580**

### 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 467 9580**], 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](mailto:sotf@sfgov.org)

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#### **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)

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**OPENING CALENDAR**

1. **Roll Call**
- |                       |         |
|-----------------------|---------|
| Commissioner Bridges  | 1:01 PM |
| Commissioner Driscoll | 1:01 PM |
| Commissioner Thomas   | 1:01 PM |

2. **Communications**

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

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.

3. **052622-03** **General Public Comment**

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.

4. **052622-04** **Action Item** **Approval of the Minutes of the March 30, 2022 Deferred Compensation Committee Meeting**

Documents provided to the Committee prior to the current meeting: Draft Minutes of the March 30, 2022 Deferred Compensation Committee Meeting.

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 Thomas, Seconded by Commissioner Driscoll, to approve Minutes of the March 30, 2022 Deferred Compensation Committee Meeting.

Ayes: Commissioners Bridges, Driscoll, Thomas

**5. 052622-05 Action Item SFDCP Target Date Funds - Request for Proposal**

Documents provided to the Committee prior to the current meeting: Staff Memorandum, SFDCP Target Date Fund Manager RFP draft, Callan's Custom Glidepath Manager RFP Timeline and Process.

Diane Chui Justen, Deferred Compensation Director; Greg Ungerman, Ben Taylor, Callan; and Brian Merrick, Voya, provided an oral and written report on this item.

Russell Investments is the current Target Date Funds Investment Manager for the SFDCP. Russell Investments' contract will expire on December 31, 2022.

The Committee previously discussed at the September 29, 2021 Deferred Compensation Committee meeting, whether custom Target Date Funds remained appropriate given the added costs/resources involved, as opposed to an "off the shelf" Target Date Fund.

Callan's Target Date Funds suitability analysis found that the SFDCP's custom Target Date Funds were able to meet their income replacement goals better than the average universe of all Target Date Funds, in multiple risk scenarios and best and worst cases. The SFDCP custom Target Date Funds also provided more downside protection due to the nature of their custom asset allocation. The Committee decided to continue offering a custom Target Date Fund series, with a custom Target Date Fund RFP to be conducted in 2022.

Staff and Callan presented Bidder Minimum Qualifications, Scope of Services, timeline, scoring weights and the RFP questions to be forwarded 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:** Moved by Commissioner Driscoll, Seconded by Commissioner Thomas, to approve Target Date Fund Manager RFP and forward to the Retirement Board with a recommendation for approval that includes the errors and omissions clause.

Ayes: Commissioners Bridges, Driscoll, Thomas

**6. 052622-06 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 ¶24.) 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 Driscoll commented on current work being done that relate to Plan document, fees, normal retirement age.

Commissioner Bridges announced the next Deferred Compensation Committee meeting is scheduled for June 22, 2022 at 1:00 p.m. and confirmed quorum for this meeting.

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. 052622-07**

**Adjournment**

Having no further business, the Committee adjourned the meeting at 1:35 PM