



**City and County of San Francisco
Employees' Retirement System**
RETIREMENT BOARD MEETING CALENDAR
MINUTES

Thursday, October 20, 2022

1145 Market Street, 6th Floor
San Francisco, CA 94103
11:00 AM

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 12:00 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 Retirement Board 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 or online on SFGovTV (www.sfgovtv.org/sfersLIVE) 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: 2481 662 8756 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, October 17, 2022 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
Joseph Driscoll
Shruti Gandhi
Scott Heldfond, Vice President
Ahsha Safaí, President
Brian Stansbury
A.J. Thomas

Alison Romano, CEO & CIO

Retirement Board Meeting

PUBLIC COMMENT CALL-IN: 415-655-0001

Access Code: 2481 662 8756

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 [2481 662 8756], 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)

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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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OPENING CALENDAR

1. Roll Call	Commissioner Leona Bridges	11:18 AM
	Commissioner Joseph Driscoll	11:03 AM
	Commissioner Shruti Gandhi	11:03 AM
	Commissioner Scott Heldfond	11:03 AM
	Commissioner Ahsha Safaí	12:21 PM
	Commissioner Brian Stansbury	Absent
	Commissioner A.J. Thomas	11:03 AM

2. Communications

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

- 3. 102022-03 Action Item Review and Approval of October 2022 Board Resolution to Continue to Meet In-person with Some Members Possibly Attending Remotely for at least 30 days pursuant to California Government Code Section 54953(e)**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Retirement Board Resolution 2022.10.20.

In-Person public comment was called.

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

Public comment Callers was called.

There were no callers and public comment was closed.

Action: Moved by Commissioner Thomas, seconded by Commissioner Driscoll to adopt the October 2022 Resolution recommending the Retirement Board continue to meet in-person with some members possibly attending remotely for at least the next 30 days; adopt findings under State urgency legislation codified as Government Code Section 54953(e) (AB 361), including that the State and the City remain in a state of emergency due to the COVID-19 pandemic and conducting meetings of the Retirement Board and its committees in person without allowing certain members of this body to attend remotely would present imminent risks to the health or safety of certain attendees due to COVID-19; and providing that all meetings of the Retirement Board and its committees will provide an opportunity for members of the public to address the body and will otherwise occur in a manner that protects the statutory and constitutional rights of parties and the members of the public attending the meeting in person or via teleconferencing.

Ayes: Commissioners Driscoll, Gandhi, Heldfond, Thomas
Absent: Commissioners Bridges, Safaí, Stansbury

4. 102022-04 Discussion Item CLOSED SESSION

Vice-President Heldfond announced that the Retirement Board would be going into Closed Session.

In-Person public comment was called.

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

Public comment Callers was called.

There were no callers and public comment was closed.

Action: Motion made by Commissioner Thomas, seconded by Commissioner Driscoll, to assert the attorney-client privilege to move into closed session to discuss 4(a) Pending Litigation and 4(b) Investments.

Ayes: Commissioners Driscoll, Gandhi, Heldfond, Thomas
Absent: Commissioners Bridges, Safaí, Stansbury

The Board entered Closed Session 4(a) - Discussion Item: CONFERENCE WITH LEGAL COUNSEL - Pending Litigation at 11:17 AM.

The following individuals were present for closed session 4(a) – Pending Litigation: Commissioners Driscoll, Gandhi, Heldfond, Thomas; Alison Romano, CEO & CIO; Caryn Bortnick, Chief Operating Officer; Cecilia Mangoba, Jessica Lo, Deputy City Attorneys; Darlene Armanino, Board Secretary.

Enter Closed Session 4(b) – Action Item

The Board entered Closed Session 4(b) – Action Item: Possible Recommendation and/or Action on Sale and Purchase of Particular, Specific Pension Fund Investment under California Government Code Section 54956.81 (3 investments) at 11:32 AM.

The following individuals were present for the closed session re Possible Recommendation and/or Action on Sale and Purchase of Particular, Specific Pension Fund Investment under California Government Code Section 54956.81: Commissioners Bridges, Driscoll, Gandhi, Heldfond, Thomas; Alison Romano, CEO & CIO; Caryn Bortnick, Chief Operating Officer; Cecilia Mangoba, Jessica Lo, Deputy City Attorneys; Darlene Armanino, Board Secretary.

The following individuals were present for the closed session re Possible Recommendation and/or Action on Sale and Purchase of Particular, Specific Pension Fund Investment under California Government Code Section 54956.81 via teleconference: Kurt Braitberg, Managing Director, Public Markets; Tanya Kemp, Managing Director, Private Markets; Andrew Collins, Director, ESG; Anna Langs, Managing Director, Asset Allocation, Risk Management and Innovative Solutions; Justin Lo, Director, Venture Capital; Chris Chow, Director, Real Assets; Eunice McHugh, Director, Private Credit; Chris Wisdom, Associate Portfolio Manager; Alo Martins, Senior Portfolio Manager, Fixed Income; Rishi Garbharran, Senior Portfolio Manager, Private Equity; Adrienne von Schulthess; Patrick Li, Dennis Esselsagoe, Investment Officers, Brady Jewett, Associate Portfolio Manager; Brady Jewett, Associate Portfolio Manager; Ba Do, Investment Operations Director; Cecilia Mangoba, Tran Ly, Deputy City Attorneys; Allan Martin, NEPC; Anita Ng, Kelly Jensen, Richard Grimm, Cambridge Associates.

The Board ended Closed Session at 12:08 PM

The Board returned to Open Session at 12:15 PM

In-Person public comment was called.

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

Public comment Callers was called.

Sosseh Prom, State Policy Manager with African Communities Together, spoke against SFERS investments in CIM. Ms. Prom stated that CIM has contributed to the displacement of working class families rather than providing stable and safe housing and urged the Board not to invest in CIM in the future and to exercise due diligence when assessing future investments.

Kevin McPherson spoke about delays in his disability application.

There were no further callers and public comment was closed.

Action: Moved by Commissioner Driscoll, seconded by Commissioner Gandhi, not to disclose any discussions held in Closed Session under San Francisco Administrative Code Section 67.12(a).

Ayes: Commissioners Bridges, Driscoll, Gandhi, Heldfond, Thomas

Absent: Commissioners Safaí, Stansbury

5. 102022-05 General Public Comment – Not earlier than 12:00 PM

Vice-President Heldfond called for General Public Comment.

Email received from Herbert J. Weiner for General Public Comment:

Private equities are limited by transparency and accountability being sheltered by the layers of Limited Liability Corporations that they form. In addition, there is minimal regulation in approval and oversight. They can avoid responsibility and accountability in the case of environmental disasters.

While they have generated handsome returns to our portfolio, there is the risk of eventual breakdown of these investments, public outcry and eventual regulation with our portfolio suffering this loss.

The best solution would seem to careful scrutiny of these investments. appropriate divestment and the counterbalance of public equities, as electric vehicles, and their components.

As a beneficiary of handsome returns, I voice this as constructive comments.

Herbert J. Weiner

Retiree of 2003

In-Person public comment was called.

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

Public comment Callers was called.

There were no callers and public comment was closed.

President Safaí arrived at 12:21 PM

6. 102022-06 Action Item Approval of the Minutes of the September 15, 2022 Retirement Board Meeting

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the September 15, 2022 Retirement Board Meeting.

In-Person public comment was called.

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

Public comment Callers was called.

There were no callers and public comment was closed.

Action: Moved by Commissioner Driscoll, seconded by Commissioner Thomas, to approve Minutes of the September 15, 2022 Retirement Board Meeting.

Ayes: Commissioners Bridges, Driscoll, Gandhi, Heldfond, Safaí, Thomas
 Absent: Commissioner Stansbury

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.

7. 102022-07	Action Item	Consent Calendar
102022-07b	Action Item	Voluntary Retirement Board List No. 04-22
102022-07c	Action Item	Decisions of Hearing Officers
Michael S. Craig Effective Date: 06/01/2021	H002 Firefighter Fire	Industrial Disability Retirement/Stip Granted
Christopher Damonte Effective Date: 01/25/20	Q004 Police Officer III Police	Industrial Disability Retirement/Stip Granted
Richard A. Ernst Effective Date: 10/15/2019	Q052 Sergeant III Police	Industrial Disability Retirement/Stip Granted
Flavio P. Flaviani Effective Date: 12/01/20	3417 Gardener Recreation and Parks	Ordinary Disability Retirement/Stip Granted
Janice J. Hayes Effective Date: 05/02/2020	H022 Lieutenant Fire Prevention Fire	Industrial Disability Retirement/Stip Granted
Irene C. Michaud Effective Date: 09/08/2021	Q004 Police Officer III Police	Industrial Disability Retirement Granted
Timothy R. Moore Effective Date: 01/18/2019	Q004 Police Officer III Police	Industrial Disability Retirement/Stip Granted
Jonathon D. Newberry Effective Date: 11/01/2021	H003 EMT/Paramedic/Firefighter Fire	Industrial Disability Retirement Granted
Smith R. Padilla Effective Date: PERS	8304 Deputy Sheriff Sheriff	CalPERS - Disability Retirement Certified
Eric F. Sadler Effective Date: 05/08/2019	H002 Firefighter Fire	Industrial Disability Retirement/Stip Granted
John G. Shanley	H002 Firefighter	Industrial Disability Retirement/Stip

Effective Date: 12/14/2018	Fire	Granted
Steven M. Williams Effective Date: 05/01/2018	H020 Lieutenant, Fire Suppression Fire	Industrial Disability Retirement/Stip Granted

102022-07d

Action Item

Conference Request

Request approval for Commissioner A.J. Thomas to attend SACRS Fall Conference 2022, November 8-11, 2022, Long Beach, CA.

102022-07e

Discussion Item

**Retirement Board Member Reports
and Comments**

Report by Commissioner A.J. Thomas who attended the CII Fall 2022 Conference, Boston, MA, September 21-23, 2022.

Report by Commissioner A.J. Thomas who attended the ILPA Private Equity for the Trustee, San Francisco, CA, September 28-29, 2022.

Action: This is a discussion only item.

Documents provided to the Retirement Board prior to the current meeting: Voluntary Retirement Board List, Conference Reports.

In-Person public comment was called.

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

Public comment Callers was called.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Gandhi, to approve Consent Calendar.

Ayes: Commissioners Bridges, Driscoll, Gandhi, Heldfond, Safaí, Thomas

Absent: Commissioner Stansbury

INVESTMENT CALENDAR

08. 102022-08	Action Item	Recommendation to Issue a Request for Proposals (RFP) for General Investment Consulting Services
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Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Proposed RFP for general investment consulting services.

Anna Langs, Managing Director, Asset Allocation Risk Management, Innovative Solutions, provided a written and oral report on this item.

On July 1, 2019, the Retirement Board issued an RFP for investment consulting services. On January 2, 2020, NEPC was awarded a three-year contract, which will expire at the end of 2022.

Ms. Langs stated that if the RFP is approved, the RFP will be issued on November 1st, with a deadline to submit RFP responses on December 16th, and the semi-finalist will present to the Board in the beginning of the next year.

Staff asked Board to approve recommendation to issue a Request for Proposals for general investment consulting services.

In-Person public comment was called.

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

Public comment Callers was called.

There were no callers and public comment was closed.

Action: Moved by Commissioner Thomas, seconded by Commissioner Heldfond, to approve recommendation to issue a Request for Proposals for general investment consulting services.

Ayes: Commissioners Bridges, Driscoll, Gandhi, Heldfond, Safaí, Thomas

Absent: Commissioner Stansbury

09. 102022-09 Action Item Recommendation to Issue a Request for Proposals (RFP) for Public Markets Investment Consulting Services

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

Kurt Braitberg, Managing Director, Public Markets, provided a written and oral report on this item.

The Retirement Board is authorized to retain investment consultants to serve as advisors to the Fund on matters related to strategic and tactical investment planning, market research and investment due diligence for its public markets portfolios.

On July 1, 2019, the Retirement board issued an RFP for investment consulting services. On January 2, 2020, NEPC was awarded a three-year contract which will expire at the end of 2022.

Mr. Braitberg stated if RFP is approved, RFP will be issued on November 1st, if not earlier, with the intent on making a recommendation to Board to approve at the March 2023 Board meeting.

Staff asked Board to approve recommendation to issue a Request for Proposals for public markets consulting services.

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

In-Person public comment was called.

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

Public comment Callers was called.

There were no callers and public comment was closed.

Action: Moved by Commissioner Heldfond, seconded by Commissioner Thomas, to approve recommendation to issue a Request for Proposals for public markets consulting services.

Ayes: Commissioners Bridges, Driscoll, Gandhi, Heldfond, Safaí, Thomas

Absent: Commissioner Stansbury

10. 102022-10 Discussion Item Chief Investment Officer Report

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

Alison Romano, CEO & CIO, provided an update on investment market environment, preliminary performance and plan value, Board approved investments, managers under review, and Investment personnel.

In-Person public comment was called.

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

Public comment Callers was called.

There were no callers and public comment was closed.

Action: This is a discussion only item.

President Safaí called recess until 1:30 PM

Open Session resumed at 1:39 PM

11. 102022-11 Discussion Item Risk Review for SFERS Total Plan

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Risk Review for SFERS Total Plan, Staff's presentation.

Anna Langs, Managing Director, Asset Allocation Risk Management, Innovative Solutions; Allan Martin, NEPC, provided a written and oral report on this item.

SFERS Investment Staff presented its annual update of Risk Management.

The update provided an overview of SFERS Risk Management Framework, evaluated key risk drivers for the Total Plan and each asset class, highlighted current and historical exposures and concentrations, examined risk adjusted performance and whether SFERS was compensated for taking these risks, and concluded with a review of relevant stress tests and scenario analysis.

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

In-Person public comment was called.

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

Public comment Callers was called.

There were no callers and public comment was closed.

Action: This is a discussion only item.

President Safaí left Board Room at 2:28 PM

DEFERRED COMPENSATION PLAN CALENDAR

12. 102022-12 Discussion Item San Francisco Deferred Compensation Committee Report

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, NRSM Flyer, SFDCP Q3 Newsletter, August 2022 Monthly Activity Report.

Commissioner Bridges, Chair, presented the Deferred Compensation Committee Report.

At their meeting of September 22, 2022, the Deferred Compensation Committee:

- Approved the Minutes of June 22, 2022, Deferred Compensation Committee Meeting.
- Approved staff's recommendation to forward the First Amendment of the Plan Document to the Retirement Board with a recommendation for approval.

In-Person public comment was called.

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

Public comment Callers was called.

There were no callers and public comment was closed.

Action: This is a discussion only item.

President Safaí returned to Board Room at 2:45 PM

13. 102022-13 Action Item Target Date Fund Manager RFP Finalist Recommendation

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, SFDCP Custom TDF Manager RFP presentation, T Rowe Price's custom Target Date glidepath presentation, and SFDCP onsite agenda with T Rowe Price.

Diane Chui Justen, Deferred Compensation Director; Ben Taylor, Callan, presented a written and oral report on this matter.

Russell Investments is the current Target Date Fund Investment Manager for San Francisco's 457(b) Deferred Compensation Plan. The Target Date Funds are the SFDCP's qualified default investment. The contractual agreement between SFDCP and Russell Investments will expire on December 31, 2022.

Staff and Callan recommended T Rowe Price as the finalist for the Target Date Fund Investment Manager RFP.

Details supporting the T Rowe recommendation and background on the glidepath evaluation process were presented to the Board.

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

In-Person public comment was called.

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

Public comment Callers was called.

There were no callers and public comment was closed.

Action: Moved by Commissioner Thomas, seconded by Commissioner Heldfond, to retain T Rowe Price as the custom Target Date Fund Manager with tactical asset allocation as an option.

Ayes: Commissioners Bridges, Driscoll, Gandhi, Heldfond, Safaí, Thomas

Absent: Commissioner Stansbury

14. 102022-14 Discussion Item San Francisco Deferred Compensation Plan Monthly Report

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

Diane Chui Justen, Deferred Compensation Director, reported on the following:

- Stable Value Credit Rate is 2.21% for Q4 2022
- October is National Retirement Security Month
- Monthly Activity Report

In-Person public comment was called.

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

Public comment Callers was called.

There were no callers and public comment was closed.

Action: This is a discussion only item.

ADMINISTRATION CALENDAR

15. 102022-15 Discussion Item Chief Executive Officer's Report

Documents provided to the Retirement Board prior to the current meeting: Executive Director's Report, Retirement Board Forward Calendar for October 2022 to July 2023, Request for Proposal in Progress Blackout Periods, and Public Retirement Conferences.

Alison Romano, CEO & CIO, provided an administrative update on proposed Special Needs Trust Ordinance along with providing the following for informational purposes:

- Retirement Board Forward Calendar for November 2022 to June 2023
- Request for Proposal in Progress Blackout Period
- Public Retirement Conferences and Training Programs for SFERS Trustees – Nossaman LLP

Ms. Romano reminded Board members to schedule their Committee meetings.

Cecilia Mangoba, Deputy City Attorney, spoke about the Special Needs Trust Ordinance.

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

In-Person public comment was called.

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

Public comment Callers was called.

There were no callers and public comment was closed.

Action: This is a discussion only item.

16. 102022-16 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 ¶24.) 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.

Commissioner Thomas spoke about Public Comment received regarding SFERS CIM investment and asked staff to provide data to Commissioners regarding scope of investment with CIM and an assessment of any liability and/or ESG risk.

In-Person public comment was called.

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

Public comment Callers was called.

There were no callers and public comment was closed.

Action: This is a discussion only item.

17. 102022-17

Adjournment

Having no further business, the Board adjourned the meeting at 3:01 PM.