



SFERS

San Francisco Employees' Retirement System

City and County of San Francisco Employees' Retirement System

RETIREMENT BOARD MEETING

MINUTES

Wednesday, October 11, 2023

1145 Market Street, 6th Floor

San Francisco, CA 94103

11:00 AM

Members of the Board will attend this meeting in-person. Members of the public attending the meeting in person will have an opportunity to provide public comment on every item. In addition to in-person public comment, members of the public may provide public comment remotely by phone. The Board will hear remote public comment on each agenda item in the order that commenters add themselves to the queue to comment on the item.

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 Helfond, President

Tim O'Connor

Ahsha Safaí

A.J. Thomas, Vice President

Alison Romano, CEO & CIO

Retirement Board Meeting

PUBLIC COMMENT CALL-IN: 415-655-0001

Access Code: 2660 851 3617

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 [**2660 851 3617**], press '#' 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, Board Secretary, at (415) 487-7012. Written reports or background materials for calendar items are available for public inspection and are available online at <https://mysfers.org/about-sfers/retirement-board/>.

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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

Citizens interested in obtaining a free copy of the Sunshine Ordinance can print a copy of Chapter 67 of the San Francisco Administrative Code on the Internet, <http://www.sfgov.org/sunshine/>

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OPENING CALENDAR

1. Roll Call	Commissioner Leona Bridges	11:08 AM
	Commissioner Joseph Driscoll	11:08 AM
	Commissioner Shruti Gandhi	11:15 AM
	Commissioner Scott Heldfond	11:08 AM
	Commissioner Tim O'Connor	Absent
	Commissioner Ahsha Safaí	Absent
	Commissioner A.J. Thomas	11:08 AM

2. Communications

Announcement regarding public comment periods during meeting.

3. 101123-03 General Public Comment

General Public Comment was called.

Kevin McPherson, a 20 year Police Officer, submitted his application 30 months ago for an Industrial Disability Retirement and has not yet had his hearing heard and expressed his concerns on the long wait.

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

4. 101123-04 Action Item Approval of the Minutes of the September 13, 2023 Retirement Board Meeting

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the September 13, 2023 Retirement Board Meeting.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: Moved by Commissioner Thomas, seconded by Commissioner Driscoll, to approve the Minutes of the September 13, 2023 Retirement Board Meeting.

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

Absent: Commissioners O'Connor, Safaí

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 requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

5.	101123-05	Action Item	Consent Calendar
	101123-05a	Action Item	Voluntary Retirement Board List No. 4-23
	101123-05b	Action Item	Decisions of Hearing Officers
	Applicant – A Effective Date: 5/9/2022	8504 Deputy Sheriff (SFERS) Sheriff	Industrial Disability Retirement Granted
	Applicant – B Effective Date: 2/11/2022	Q004 Police Officer III Police	Industrial Disability Retirement/Stip Granted
	Applicant – C Effective Date: 4/1/2023	Q002 Police Officer Police	Industrial Disability Retirement Granted
	Applicant – D Effective Date: 5/2/2021	2312 Licensed Vocational Nurse DPH	Ordinary Disability Retirement /Stip Granted
	Petition for Rehearing		
	Applicant -E Effective Date: 07/01/2020	7514 General Laborer DPW	Ordinary Disability Retirement Denied
	101123-05c	Action Item	Conference Request
	Request approval for Commissioner A.J. Thomas who attended Nossaman’s 2023 Pensions, Benefits & Investments Fiduciaries’ Forum, October 5, 2023, San Francisco, CA.		
	101123-05d	Discussion Item	Retirement Board Member Reports and Comments
	Report by Commissioner Leona Bridges who attended the Annual Legislative Conference (ALC), September 20-24, 2024, Washington, DC.		

Documents provided to the Retirement Board prior to the current meeting: Voluntary Retirement Board List, Decisions, Conference Request, Conference Attendance Report.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: Moved by Commissioner Bridges, seconded by Commissioner Driscoll, to approve the Consent Calendar.

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

Absent: Commissioners O'Connor, Safaí

ADMINISTRATION CALENDAR

6. 101123-06 Discussion Item Response to GRS report, *Independent Actuarial Review*

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Cheiron presentation, *Response to Actuarial Audit*. <https://mysfers.org/wp-content/uploads/2023/08/081723-07-GRS-report-Independent-Actuarial-Review.pdf>

Janet Brazelton, Actuarial Services Coordinator, Bill Hallmark, Anne Harper, Cheiron, presented an oral and written report on this item.

Cheiron noted that the audit confirmed the actuarial valuation is reasonable and can be relied on for its intended purpose, and that the recommendations from the actuarial review focused on considerations for the next experience study. Cheiron will consider the recommendations at the 2024 study following the 2024 actuarial valuation.

The Board engaged in a question and answer session.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: This is a discussion only item.

7. 101123-07 Action Item Economic Assumptions Review for the July 1, 2023 Actuarial Funding Valuation

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Cheiron’s presentation, Review of Economic Assumptions, dated October 11, 2023.

Janet Brazelton, Actuarial Services Coordinator, Bill Hallmark, Anne Harper, Cheiron, presented an oral and written report on this item.

Cheiron proposed no changes to the price inflation, ultimate wage inflation, and amortization payment growth rate assumptions for the July 1, 2023 actuarial valuation.

The Board engaged in a question and answer session.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: Moved by Commissioner Driscoll, seconded by Commissioner Thomas, to select the economic assumptions for the July 1, 2023 actuarial valuation:

Wage Inflation and Amortization	3.25%
Payment Growth Rate	
Price Inflation	2.50%
Discount Rate	7.20%

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

Absent: Commissioners O’Connor, Safaí

President Heldfond moved Item #8 to the next Board meeting.

8. 101123-08 Action Item Approve Amendments to Purchase of Public Service Policy

9. 101123-09 Discussion Item Chief Executive Officer’s Report

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Retirement Board Forward Calendar for November 2023 to June 2024, Public Retirement Conferences and Training Programs for SFERS Trustees – Nossaman LLP.

Alison Romano, CEO & CIO, provided an oral and written report on this item.

Ms. Romano announced next Governance Committee Meeting is scheduled for October 18, 2023 and Investment Committee Meeting on November 1, 2023.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: This is a discussion only item.

DEFERRED COMPENSATION PLAN CALENDAR

10. 101123-10 Discussion Item San Francisco Deferred Compensation Plan Monthly Report

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, NRSM direct mail to active participants, NRSM overview deck, August 2023 Monthly Activity Report.

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

- SFDCP Stable Value Fund Q4 credit rate remains at 2.90%
- National Retirement Security Month
- Monthly Activity Report

The Board engaged in a question and answer session.

President Heldfond and Commissioner Bridges suggested to have staff evaluate a cybersecurity insurance program to bring back to Board.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: This is a discussion only item.

President Heldfond announced a Break at 12:05 PM and returned at 12:35 PM

INVESTMENT CALENDAR

11. 101123-11 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.

Alison Romano, CEO & CIO, Anna Langs, Managing Director, Asset Allocation Risk Management, Innovative Solution, Kevin Cao, Investment Officer, provided an oral and written 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 engaged in a question and answer session.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: This is a discussion only item.

12. 101123-12 Discussion Item Chief Investment Officer's Report

Documents provided to the Retirement Board prior to the current meeting: Exhibit 1: Performance and Market Update, Exhibit 2: Plan Value Report.

Alison Romano, CEO & CIO, provided an oral and written report on performance, market update and plan value.

The Board engaged in a question and answer session.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: This is a discussion only item.

13. 101123-13 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 ¶25.) 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.

No comments from the Board.

Public Comment was called.

There were no comments from the public and Public Comment was closed.

Action: This is a discussion only item.

14. 101123-14

Adjournment

Having no further business, the Board adjourned the meeting at 1:45 PM