



# SFERS

San Francisco Employees' Retirement System

## San Francisco City and County Employees' Retirement System

### RETIREMENT BOARD MEETING MINUTES

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**Wednesday, January 10, 2024**

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: 2662 995 4743**

### 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 [2662 995 4743], 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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### **DISABILITY ACCESS**

The San Francisco Employees' Retirement System is wheelchair accessible. This meeting will be broadcast and captioned on SFGovTV. Remote public participation is available upon request for individuals who cannot attend in person due to disability. Making a request to participate remotely no later than one hour prior to the start of the meeting helps ensure availability of the meeting link. Sign Language Interpretation is also available upon request. If requesting remote Sign Language Interpretation, please submit an accommodation request a minimum of four business hours prior to the start of the meeting. Allowing a minimum of 48 business hours for all other accommodation requests (for example, for other auxiliary aids and services) helps ensure availability. To request accommodation, please contact the Board Secretary at [Darlene.armanino@sfgov.org](mailto:Darlene.armanino@sfgov.org) or 415.487.7012.

There is accessible parking in the vicinity of 1145 Market Street at Civic Center Plaza. Accessible **MUNI** lines are available at the corner of Market Street and 8<sup>th</sup> Street. The closest accessible **MUNI /BART** station is Civic Center Station.

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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**The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.**

### **Know Your Rights Under the Sunshine Ordinance**

#### **(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 [sof@sfgov.org](mailto:sof@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/>**

Any materials distributed to the Retirement Board (or committee) within 72 hours of the meeting or after distribution of the agenda packet to Board (or committee) members are available for public inspection at SFERS, 1145 Market Street, 7<sup>th</sup> Floor, during regular office hours.

#### **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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**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.*

<b>5. 011024-05</b>	<b>Action Item</b>	<b>Consent Calendar</b>
<b>011024-05a</b>	<b>Action Item</b>	<b>Voluntary Retirement Board List No. 07-23</b>
<b>011024-05b</b>	<b>Action Item</b>	<b>Decisions of Hearing Officers</b>
Applicant-A Effective Date: 04/01/2021	H002 Firefighter Fire	Industrial Disability Retirement/Stip Granted
Applicant-B Effective Date: 08/10/2022	1093 IT Operations Support Admn III Recreation And Park	Ordinary Disability Retirement /Stip Granted
Applicant-C Effective Date: 03/31/19	7421 Sewer Maintenance Worker Department Of Public Works	Ordinary Disability Retirement /Stip Granted
Applicant-D Effective Date: 06/30/2022	Q004 Police Officer III Police	Industrial Disability Retirement/Stip Granted
Applicant-E Effective Date: 03/20/2021	0382 Inspector III Police	Industrial Disability Retirement/Stip Granted
Applicant-F Effective Date: 06/01/2018	2587 Health Worker 3 Department of Public Health	Ordinary Disability Retirement Denied (SR 07/12/19)
Applicant-G Effective Date: PERS	8304 Deputy Sheriff Sheriff	CalPERS Disability Retirement Certified
Applicant-H Effective Date: PERS	8304 Deputy Sheriff Sheriff	CalPERS Disability Retirement Certified
<b>011024-05c</b>	<b>Action Item</b>	<b>Conference Request</b>

Request approval for Commissioner Leona Bridges to attend the CII Spring Conference, March 4-6, 2024 and CII Capitol Hill & SEC Meetings, March 6-7, 2024, Washington, DC.

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

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 approve Consent Calendar.

Ayes: Commissioners Bridges, Driscoll, Heldfond, O'Connor, Thomas

Absent: Commissioner Gandhi

### ADMINISTRATION CALENDAR

**6. 011024-06                      Action Item                      Review and Acceptance of the GASB 67/68 Report as of June 30, 2023**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Cheiron's GASB 67/68 Report as of June 30, 2023.

Janet Brazelton, Actuarial Services Coordinator, provided an oral and written report on this item.

This Report is separate from the actuarial funding valuation reports. SFERS' funding valuation reports do not contain GASB financial accounting disclosures.

Each of the four sponsoring employers (City and County, Trial Courts, SFUSD, and SFCCD) report pension information under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The sponsoring employers have opted to use measurement dates 12 months prior to their fiscal year-ends. That means that information from this June 30, 2023 report will be used for the employers' required June 30, 2024 GASB disclosures.

The Board reviewed and discussed the material and 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 O'Connor, to accept the GASB 67/68 Report as of June 30, 2023.

Ayes: Commissioners Bridges, Driscoll, Heldfond, O'Connor, Thomas

Absent: Commissioner Gandhi

**7. 011024-07 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 January 2024 to December 2024, Public Retirement Conferences and Training Programs for SFERS Trustees – Nossaman LLP.

Alison Romano, CEO & CIO, provided an administrative update.

The Board reviewed and discussed the material and 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.

**DEFERRED COMPENSATION PLAN CALENDAR**

**8. 011024-08 Discussion Item San Francisco Deferred Compensation Plan Monthly Report**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, November 2023 Monthly Activity Report, Q4'23 SFDCP Newsletter.

Diane Chui Justen, Deferred Compensation Director reported on the SFDCP Stable Value Fund Q1'24 credit rate = 3.01% and the Monthly Activity Report.

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

Commissioner Driscoll recommended a Webinar for staff and Alison Romano, CEO & CIO, stated she will follow up.

Public Comment was called.

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

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

## INVESTMENT CALENDAR

**9. 011024-09                      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, Exhibit 3: Update on Investments.

Alison Romano, CEO & CIO, provided an oral and written report on performance, market update, plan value and reported the following investments approved by delegated authority:

### **CLOSED INVESTMENTS**

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#### **Balderton IX, L.P.**

Under its delegated authority, SFERS invested \$35 million in Balderton IX, L.P. The investment closed on December 13, 2023.

This fund will be classified as Venture Capital within SFERS' Private Equity portfolio.

More information about Balderton Capital is available at <https://www.balderton.com>.

#### **Wynnchurch Capital Partners VI, L.P.**

Under its delegated authority, SFERS committed \$70 million to Wynnchurch Capital Partners VI, L.P., which closed on December 14, 2023.

Wynnchurch Capital Partners VI, L.P. is classified as a Buyout investment within SFERS' Private Equity portfolio and is SFERS' third commitment to a Wynnchurch-sponsored private equity fund.

More information about the firm is available at [www.wynnchurch.com](http://www.wynnchurch.com).

#### **Partners Solutions/S Joint Venture, L.P.**

Under its delegated authority, SFERS invested \$80 million in Partners Solutions/S Joint Venture, L.P., which closed on December 22, 2023. This investment is classified as a Real Estate investment within the Real Assets portfolio and is SFERS' third investment with Crow Holdings.

More information about the firm is available at [www.crowholdings.com](http://www.crowholdings.com).



### **Sustainable Asset Fund IV, LP**

Under its delegated authority, SFERS committed \$80 million to Sustainable Asset Fund IV LP, of which \$57.55 million closed on December 27, 2023. The investment is classified as an Infrastructure investment within the Real Assets portfolio and is SFERS' fourth investment with Vision Ridge Partners.

More information about the firm is available at <https://vision-ridge.com>.

### **Arrow Global/SFERS Co-Invest Partnership**

At its meeting on March 16, 2023, the Retirement Board approved in closed session an investment of up to \$25 million to Arrow Global/SFERS Co-Invest Partnership. This investment was approved by the following vote:

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

Nays: None

Absent: Commissioner Heldfond

SFERS' investment of \$25 million to Arrow Global/SFERS Co-Invest Partnership closed on December 28, 2023. This investment is classified as a Credit Opportunities investment within SFERS' Private Credit portfolio. This is SFERS' second investment with Arrow within the Private Credit portfolio.

More information about Arrow is available at <https://www.arrowcredit.com/>.

### **Magnetar Structured Solutions Fund LP**

At its meeting on December 13, 2023, the Retirement Board approved in closed session an investment of up to \$75 million Magnetar Structured Solutions Fund LP. This investment was approved by the following vote:

Ayes: Commissioners O'Connor, Thomas, Heldfond, Driscoll, Bridges

Nays: None

Absent: Commissioners Gandhi and Safaí

SFERS' investment of \$75million to Magnetar Structured Solutions Fund LP closed on January 5, 2024. This investment is classified as a Specialty Finance investment within SFERS' Private Credit portfolio. This is SFERS' first investment with Magnetar within the Private Credit portfolio.

More information about Magnetar is available at <https://www.magnetar.com/>.

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## TERMINATED INVESTMENTS

### Springs Capital

The CEO & CIO approved the termination of Springs Capital on September 22, 2023 and final proceeds of the investment were received on December 20, 2023. The termination was approved by the CEO & CIO in accordance with *SFERS Manager Selection, Monitoring and Termination Policy* approved by The Retirement Board at its meeting on July 20, 2023.

The investment was part of SFERS's public equity portfolio.

### East Lodge Capital Credit Opportunities Fund, LP

The CEO & CIO approved a termination of East Lodge Credit Opportunities Fund, LP on November 21, 2023 and final proceeds of the investment were received on December 29, 2023. The termination was approved by the CEO & CIO in accordance with SFERS Manager Selection, Monitoring and Termination Policy approved by The Retirement Board at its meeting on July 20, 2023.

The investment was classified as a Credit - Structured investment within SFERS's absolute return portfolio share class B of SFARI II.

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

Alison Romano, CEO & CIO, reported that staff has participated in decision quality training at the recommendation of Commissioner Driscoll.

Public Comment was called.

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

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

## 10. 011024-10      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 ¶124.) 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.

There were 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.

**11. 011024-11**

**Adjournment**

Having no further business, the Board adjourned the meeting at 11:57 AM