



San Francisco City and County  
Employees' Retirement System

**RETIREMENT BOARD MEETING**  
**MINUTES**

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**Wednesday, August 14, 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  
Joel Engardio  
Shruti Gandhi  
Scott Heldfond, President  
Tim O'Connor  
A.J. Thomas, Vice President

Alison Romano, CEO & CIO

## Retirement Board Meeting

**PUBLIC COMMENT CALL-IN: 415-655-0001**

**Access Code: 2660 954 2950**

### 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 954 2950**], 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. 081424-05</b>	<b>Action Item</b>	<b>Consent Calendar</b>
<b>081424-05a</b>	<b>Action Item</b>	<b>Voluntary Retirement Board List No. 2-24</b>
<b>081424-05b</b>	<b>Action Item</b>	<b>Decisions of Hearing Officers</b>
Applicant - A Effective Date: 05/27/2023	Q004 Police Officer III Police	Industrial Disability Retirement/Stip Granted
Applicant - B Effective Date: 06/28/2022	H020 Lieutenant, Fire Suppression Fire	Industrial Disability Retirement/Stip Granted
Applicant - C Effective Date: 08/04/2018	H030 Captain, Fire Suppression Fire	Industrial Disability Retirement/Stip Granted
Applicant - D Effective Date: 05/15/2021	H003 EMT/Paramedic/Firefighter Fire	Industrial Disability Retirement Granted
Applicant - E Effective Date: PERS	8304 Deputy Sheriff Sheriff	CalPERS Disability Retirement Certified
Applicant - F Effective Date: 06/30/2021	Q004 Police Officer III Police	Industrial Disability Retirement/Stip Granted
Applicant - G Effective Date: 01/09/2024	Q062 Lieutenant III Police	Industrial Disability Retirement Granted
Applicant – H Effective Date: 02/08/2023	2718 Custodial Supervisor Recreation and Park	Ordinary Disability Retirement/Stip Granted
Applicant - I Effective Date: 05/15/2021	H040 Battalion Chief, Suppression Fire	Industrial Disability Retirement/Stip Granted
Applicant - J Effective Date: 05/13/2022	H002 Firefighter Fire	Industrial Disability Retirement/Stip Granted

**081424-05c**

**Action Item**

**Conference Request**

Request approval for Commissioner Leona Bridges to attend the 53<sup>rd</sup> Annual Legislative Conference, September 11-15, 2024, Washington, D.C.

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 Thomas, seconded by Commissioner O'Connor, to approve the Consent Calendar.

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

Absent: Commissioner Engardio

**ADMINISTRATION CALENDAR**

6. **081424-06**

**Action Item**

**Declaration of Vacancy on Retirement Board Occurring February 20, 2025 and Approve Proposed Election Schedule**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Draft Election Schedule.

Alison Romano, CEO & CIO, reported that on February 20, 2025 Commissioner O'Connor will complete his term of office and presented a schedule for approval for the election of a Retirement Board member for the five-year term commencing February 21, 2025.

President Heldfond commented that he appreciates working with Commissioner O'Connor and noted his dedication to the Board.

Public Comment was called.

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

**Action:** Moved by Commissioner Driscoll, seconded by Commissioner Gandhi, to declare a vacancy on the Retirement Board effective February 20, 2025, and approve proposed election schedule.

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

Absent: Commissioner Engardio

**7. 081424-07 Discussion Item Chief Executive Officer's Report**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Member Services Dashboard, Travel, Education and Due Diligence Quarterly Report, Retirement Board Forward Calendar for September 2024 to December 2024, Public Retirement Conferences and Training Programs for SFERS Trustees – Nossaman LLP.

Alison Romano, CEO & CIO, reported that the Forward Calendar now goes through June 2025 and is working on the specific dates and topics of the Committee meetings for the full fiscal year to be included in the next Board meeting. The three Charter proposals that impact fire fighters, police (DROP), nurses will appear on the ballot in November.

Caryn Bortnick, Chief Operating Officer, presented the Operations Management Dashboard and highlighted the following:

- Live webinars will now be recorded and posted online to view beginning in September
- Staff processed 262 benefits last month between May and June and thanked staff for their hard work during this busy time

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.

**INVESTMENT CALENDAR**

**8. 081424-08 Discussion Item Annual Review of the Securities Lending Program for the Fiscal Year ending June 30, 2024**

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

Kurt Braitberg, Managing Director, Public Markets, Alo Martins, Senior Portfolio Manager, Michael McInnes, BNY Mellon, presented an annual update of the securities lending program's performance, activity, and initiatives.

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.

**9. 081424-09            Action Item            Securities Litigation Policy and Placement Agent Policy**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Securities Litigation Policy – Redlined, Securities Litigation Policy – Clean version, with amendments, Placement Agent, Gifts and Campaign Contributions Policy – Redlined, Placement Agent, Gifts and Campaign Contributions – Clean version, with amendments.

Alison Romano, CEO & CIO, presented the following proposed amendments to the Securities Litigation Policy and to the Placement Agent, Gifts and Campaign Contributions Policy:

Securities Litigation Policy:

- Updates to the format to be consistent with current policies
- Clarification of the role of the City Attorney and Portfolio Monitoring and Securities Litigation Evaluation Counsel, consistent with current practices
- Lowering of the threshold for Foreign Claims, from \$5 million to \$1 million, for which potential claims may be evaluated with the City Attorney and SFERS staff to determine whether SFERS should take a more active role. We recommend lowering the threshold to provide greater flexibility in evaluating potential claims while continuing to take into account the potential monetary benefit relative to the risks, time and/or costs of pursuing such claims

Private Placement Policy:

- Updates to the format to be consistent with current policies
- Updates to include more current titles and to reflect partial investment delegation, and current practice and requirements

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 O'Connor, to approve policy amendments.

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



Absent: Commissioner Engardio

President Heldfond called a 5 minute break at 11:55 AM

Returned to Open Session at 12:05 PM

**10. 081424-10 Discussion Item Chief Investment Officer's Report**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Exhibit 1: Performance and Market Update, Exhibit 2: Plan Value Report, Exhibit 3: Update on Closed Investments.

Alison Romano, CEO & CIO, shared that at this year's Institutional Retreat hosted by the Markets Group, the entire Investment Team was awarded the Constellation Award and Ms. Romano was recognized as one of the Elite 100 CIOs by Market Group and Eunice McHugh was recognized by the Hedge Fund Journal as Private Markets 50 Women Leaders 2024.

Ms. Romano provided a written report on performance, market update, plan value and reported the following closed investments:

**NEA Secondary Opportunity Fund, L.P.**

Under its delegated authority, SFERS invested \$20 million in NEA Secondary Opportunity Fund, L.P. The investment was closed on July 3, 2024.

The fund is classified as Venture Capital within SFERS' Private Equity portfolio.

More information about New Enterprise Associates (NEA) is available at <https://www.nea.com>.

**Resurgens Technology Partners III, L.P.**

At its meeting on June 12, 2024, the Retirement Board approved in closed session a commitment of up to \$75 million to Resurgens Technology Partners III, L.P. The commitment was approved by the following vote:

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

Nays: None

SFERS' commitment of \$35 million to Resurgens Technology Partners III, L.P. closed on July 31, 2024.

This investment will be classified as buyout within SFERS' Private Equity portfolio.

More information about Resurgens is available at [resurgenstech.com](https://resurgenstech.com).

**Fortress Credit Opportunities VI, L.P.**

Under its delegated authority, SFERS invested \$75 million in Fortress Credit Opportunities Fund VI, L.P. This investment closed on July 29, 2024.

Fortress Credit Opportunities Fund VI, L.P. is managed by Fortress Investment Group LLC (“Fortress”) and will be classified as a Credit Opportunities investment within SFERS’ Private Credit portfolio.

More information about Fortress is available at <https://www.fortress.com/>.

**TPG AG Credit Solutions III, L.P.**

At its meeting on June 12, 2024, the Retirement Board approved in closed session an investment of up to \$75 million to TPG AG Credit Solutions III, L.P. This investment was approved by the following vote:

Ayes: Commissioners Bridges, Driscoll, Engardio, Gandhi, Heldfond, O’Connor, Thomas

Nays: None

SFERS’ investment of \$75 million to TPG AG Credit Solutions III, L.P. closed on August 7, 2024. This investment is classified as a Credit Opportunities investment with SFERS’ Private Credit portfolio.

More information about TPG AG is available at <https://www.tpg.com/platforms/tpg-angelo-gordon/>.

Public Comment was called.

Fred Sanchez, Protect our Benefits, congratulated SFERS on the awards received.

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

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

**DEFERRED COMPENSATION PLAN CALENDAR**

- |                      |                        |   |
|----------------------|------------------------|---|
| <b>11. 081424-11</b> | <b>Discussion Item</b> | <b>San Francisco Deferred Compensation Plan Quarterly Plan Review</b> |
|----------------------|------------------------|---|

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, SFDCP Quarterly Memorandum – Q2 ’24, Quarterly Activity Report – Q2 ’24, Q2’ 24 Plan Review, Galliard Q2 Economic Update, SFERS Insert Flyer, July Direct Mailers.

Diane Chui Justen, Deferred Compensation Director, Greg Ungerman, Callan, Bishop Bastien, Voya, presented a quarterly report on the San Francisco Deferred Compensation Plan covering four key areas:

Investments

- Stable Value Credit Rate is 3.14% for Q3 2024
- SFDCP Stable Value Fund Manager Search

Marketing/Communications

- 2024 Targeted Mailing Campaign dropped in July
- New Webinar – Retirees and the SFDCP – launched in July and available through NRSM
- National Retirement Security Month theme – Be your own Influencer!
- 2023 SFERS Annual Statement Insert drops in August

Operations

- IRS finalizes updates to Required Minimum Distribution rules

Recordkeeper

- Voya contract extended to August 30, 2025
- Participant Dashboard Enhancements

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. 081424-12                  Discussion Item          Retirement Board Member Good of the Order**

Commissioner Driscoll commented that the preparation for the September 25<sup>th</sup> Board Retreat is going very well and that he hoped for 100% attendance. Commissioner Bridges responded that she is unable to attend the Board Retreat.

Public Comment was called.

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

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

**13. 081424-13**

**Adjournment**

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Having no further business, the Board adjourned the meeting at 12:30 PM.