



# SFERS

San Francisco Employees' Retirement System

San Francisco City and County  
Employees' Retirement System

## RETIREMENT BOARD MEETING MINUTES

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**Wednesday, November 13, 2024**

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 11:20 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: 2663 543 0550**

### 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 [**2663 543 0550**], 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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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. Allowing a minimum of 48 business hours for accommodation requests (for example, for 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.**

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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 [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/>**

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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**

<b>1. Roll Call</b>	Commissioner Leona Bridges	11:03 AM
	Commissioner Joseph Driscoll	11:03 AM
	Commissioner Joel Engardio	11:03 AM
	Commissioner Shruti Gandhi	Absent
	Commissioner Scott Heldfond	11:03 AM
	Commissioner Tim O’Connor	Absent
	Commissioner A.J. Thomas	11:03 AM

**2. Communications**

Announcement regarding public comment periods during meeting.

**3. 111324-03 Discussion Item CLOSED SESSION**

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

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 move into closed session and to invoke the attorney-client privilege and conduct a closed session for pending litigation with legal counsel.

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

Absent: Commissioners Gandhi, O’Connor

The Board entered Closed Session – Action Item – Pending Litigation at 11:10 AM

The following individuals were present for closed session: Commissioners Bridges, Driscoll, Engardio, Heldfond, Thomas; Alison Romano, CEO & CIO; Caryn Bortnick, Chief Operating Officer; Cecilia Mangoba, General Counsel; Darlene Armanino, Board Secretary.

The Board ended Closed Session at 11:15 AM

The Board returned to Open Session at 11:20 AM

Public Comment was called.

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

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

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

Absent: Commissioners Gandhi, O'Connor

**4. 111324-04 General Public Comment**

General Public Comment was called.

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

**5. 111324-05 Action Item Minutes of the October 9, 2024 Retirement Board Meeting**

Documents provided to the Retirement Board prior to the current meeting: Draft Minutes of the October 9, 2024 Retirement Board Meeting.

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 the Minutes of the October 9, 2024 Retirement Board Meeting.

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

Absent: Commissioners Gandhi, O'Connor

**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.*

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<b>6. 111324-06</b>	<b>Action Item</b>	<b>Consent Calendar</b>
<b>111324-06a</b>	<b>Action Item</b>	<b>Voluntary Retirement Board List No. 05-24</b>
<b>111324-06b</b>	<b>Action Item</b>	<b>Decisions of Hearing Officers</b>
Applicant - A Effective Date: 07/01/2023	Q052 Sergeant 3 Police	Industrial Disability Retirement/Stip Granted
Applicant - B Effective Date: 03/19/2022	H002 Firefighter Fire	Industrial Disability Retirement/Stip Granted
Applicant - C Effective Date: 03/01/2024	H003 EMT/Paramedic/Firefighter Fire	Industrial Disability Retirement Granted
Applicant - D Effective Date: 07/01/2021	Q052 Sergeant 3 Police	Industrial Disability Retirement/Stip Granted
Applicant - E Effective Date: 10/01/2022	H020 Lieutenant, Fire Suppression Fire	Industrial Disability Retirement/Stip Granted
Applicant - F Effective Date: 02/07/2021	0382 Inspector 3 Police	Industrial Disability Retirement/Stip Granted
Applicant - G Effective Date: 12/22/2022	H030 Captain, Fire Suppression Fire	Industrial Disability Retirement/Stip Granted
Applicant - H Effective Date: 07/31/2021	Q004 Police Officer 3 Police	Industrial Disability Retirement/Stip Granted
Applicant - I Effective Date: 03/30/2024	Q004 Police Officer 3 Police	Industrial Disability Retirement Granted
Applicant - J Effective Date: 06/19/2021	Q004 Police Officer 3 Police	Industrial Disability Retirement/Stip Granted
Applicant - K Effective Date: 06/30/2021	0382 Inspector 3 Police	Industrial Disability Retirement Granted (SR 06/30/21)
Applicant - L Effective Date: 08/01/2022	2918 HSA Social Worker HSA	Ordinary Disability Retirement/Stip Granted
Applicant - M Effective Date: 12/01/2023	8504 Deputy Sheriff (SFERS) Sheriff	Industrial Disability Retirement Granted

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Applicant - N Effective Date: 01/03/2020	2903 Hospital Eligibility Worker DPH	Ordinary Disability Retirement/Stip Denied/ Re-Hearing Denied
Applicant - O Effective Date: 08/16/2022	Q052 Sergeant 3 Police	Industrial Disability Retirement Granted (SR 08/16/22)
Applicant - P Effective Date: PERS	8306 Senior Deputy Sheriff Sheriff	CalPERS Disability Retirement Certified
Applicant - Q Effective Date: 06/26/2021	0402 Deputy Chief 3 Police	Industrial Disability Retirement/Stip Granted
Applicant - R Effective Date: 07/01/2020	9163 Transit Operator MTA	Ordinary Disability Retirement/Stip Denied
Applicant - S Effective Date: 07/01/2023	Q052 Sergeant 3 Police	Industrial Disability Retirement/Stip Granted
Applicant - T Effective Date: 10/14/2020	H002 Firefighter Fire	Industrial Disability Retirement/Stip Granted
Applicant - U Effective Date: 12/08/2022	Q052 Sergeant 3 Police	Industrial Disability Retirement/Stip Granted /SFERS Petition-Denied
Applicant - V Effective Date: 07/01/2022	Q003 Police Officer 2 Police	Industrial Disability Retirement/Stip Granted
Applicant - W Effective Date: 02/15/2024	Q003 Police Officer 2 Police	Industrial Disability Retirement Granted
Applicant - X Effective Date: 07/01/2022	Q004 Police Officer 3 Police	Industrial Disability Retirement/Stip Granted
Applicant - Y Effective Date: 07/01/2022	Q062 Lieutenant 3 Police	Industrial Disability Retirement/Stip Granted

**111324-06c**

**Action Item**

**Conference Request**

Request approval for Commissioner Leona Bridges to attend the Toigo Foundation Industry Insights Forum and Defining Moments Event, November 20, 2024, Los Angeles, CA.

**111324-06d**

**Discussion Item**

**Retirement Board Member Reports  
and Comments**

Report by Commissioner Driscoll who attended the ALTSSV 2024 Event, Mountain View, CA, September 5, 2024 and DC Institute Half Moon Bay Symposium, Half Moon Bay, CA, September 10, 2024.

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

Alison Romano, CEO & CIO, shared the following two points with the respect to the Consent Calendar which came out of the Governance Committee last week:

1. Reminder that the Consent Calendar provides Board members the opportunity to ask questions or bring one of the items under the Consent Calendar up for further discussion; and
2. Moving forward the cover memo on travel sheets will indicate whether travel overlaps with a Board meeting and will also include a listing of various topics that are approved for training with a checkmark to indicate whether the training satisfies one of those requirements.

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 Consent Calendar.

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

Absent: Commissioners Gandhi, O'Connor

### **ADMINISTRATION CALENDAR**

**7. 111324-07      Action Item      Economic Assumptions Review for the July 1, 2024 actuarial evaluation.**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum Cheiron's presentation, Review of Economic Assumptions, dated November 13, 2024.

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

The Retirement Board reviews the long-term economic assumptions annually. Cheiron proposed no changes to the set of assumptions for the July 1, 2024 actuarial valuation:

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



Cheiron recommended maintaining a 7.2% discount rate and Ms. Brazelton, Actuarial Services Coordinator, agreed with this recommendation.

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 Thomas, seconded by Commissioner Driscoll, to approve the economic Assumptions for the July 1, 2024 actuarial valuation:

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

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

Absent: Commissioners Gandhi, O'Connor

**8. 111324-08 Discussion Item Governance Committee Report**

Documents provided to the Retirement Board prior to the current meeting: Governance Committee Chair Memorandum

Commissioner Driscoll, Chair of the Governance Committee, reported on the following:

- Approved the Minutes of the October 18, 2023 Governance Committee meeting
- Recommended that revisions to the Service Provider Selection Policy be presented to the Full Board for approval
- Discussed Governance-related activities of the SFERS Board and Committees during fiscal year 2024 and discussed governance opportunities and challenges
- Discussed reducing the number of Board meetings conducted each year

Public Comment was called.

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

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

**9. 111324-09            Action Item            Amend Service Provider Selection Policy**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Service Provider Selection Policy – Redlined.

Alison Romano, CEO & CIO, reported at its November 6, 2024 meeting, the Governance Committee reviewed and approved recommending the proposed amendments to the Service Provider Selection Policy to the Full Board, in the following areas:

- Clarification on services providers related to the Deferred Compensation unit
- Clarification on investment management related service providers related to the Defined Benefit Plan

The proposed changes are all aligned with current practice.

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 revisions to the Service Provider Selection Policy.

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

Absent: Commissioners Bridges, O'Connor

**10. 111324-10            Discussion Item            Chief Executive Officer's Report**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, Travel, Education and Due Diligence Quarterly Report, Retirement Board Forward Calendar for December 2024 to June 2025, Public Retirement Conferences and Training Programs for SFERS Trustees – Nossaman LLP.

Alison Romano, CEO & CIO, provided an administrative update and indicated that the Firefighter and Nurses and 911 Operators Propositions looked like they have passed. SFERS will be working to implement those two measures.

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**

**11. 111324-11            Discussion Item            Overview of SFERS’ Portfolio Management and Portfolio Construction**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, “Overview of SFERS’ Portfolio Management and Portfolio Construction” by Wilshire Associates.

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

In 2023, the Retirement Board approved the updated IPS to incorporate additional guidelines for the Total Plan and each Asset Class including portfolio concentration, risk, and liquidity guardrails.

Over the last year, Staff worked with the Board, Wilshire and Asset Class consultants both to better define the approach to portfolio construction and to develop more robust analytics, all with the goal of constructing portfolios that effectively address the aforementioned Board approved guidelines.

Portfolio management and portfolio construction efforts include:

- Top-down and bottom-up portfolio reviews
- Alignment with best-in-class practices to optimize allocations
- On-boarding and customizing multiple risk tools
- Decomposition of sources of risks.

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 called a break at 12:41PM and returned to Open Session at 1:00 PM  
Commissioner Engardio did not return back to Open Session

**12. 111324-12            Discussion Item            Risk Review for SFERS Total Plan**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, “Total Plan Risk Review” – SFERS Investment Staff presentation.

Alison Romano, CEO & CIO and Anna Langs, Managing Director, Asset Allocation Risk Management, Innovative Solutions, provided an oral and written report providing an overview of SFERS Risk Management Framework, evaluated key risk drivers for the Total Plan and each asset class,

highlighting 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.

This year Staff worked with Wilshire Associates to on-board comprehensive modeling for position-based risk estimates for Total Portfolio and each Asset Class. Staff is leveraging these risk tools to enhance portfolio construction, internal investment guidelines and risk monitoring framework.

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. 111324-13 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, provided a written report on performance, market update, plan value and reported the following closed investments:

**LAV Fund VII, L.P.**

Under its delegated authority, SFERS committed \$50 million to LAV Fund VII, L.P. SFERS previously disclosed that \$31.2 million closed on April 19, 2024 and \$0.6 million closed on April 24, 2024. Since the last public disclosure, SFERS closed on an additional \$16.6 million, and subsequent closings can occur at future dates until the commitment amount is reached.

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

More information about Lilly Asia Ventures (LAV) is available at <https://www.lillyasiaventures.com/>.

**Voleon Institutional Strategies Fund LP**

Under its delegated authority, SFERS invested \$50 million in Voleon Institutional Strategies Fund LP by San Francisco Absolute Return Investors II, LP ("SFARI II"). The investment closed on November 1, 2024.

This investment is classified as a Quantitative investment within SFERS' absolute return portfolio share class B of SFARI II.

More information about the firm is available at: <https://voleon.com/>

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**

**14. 111324-14            Discussion Item            San Francisco Deferred Compensation Plan Quarterly Report – Q3'24**

Documents provided to the Retirement Board prior to the current meeting: Staff Memorandum, SFDCP Quarterly Memorandum-Q3'24, July Targeted Campaign results, National Retirement Security Month (NSRM) Campaign results, Q3'24 Plan Review, Quarterly Activity Report-Q3'24, Galliard Q3 Economic Update.

Diane Chui Justen, Deferred Compensation Director, present a quarterly report on the San Francisco Deferred Compensation Plan (SFDCP) covering four key areas:

- Investments
  - Stable Value Credit Rate is 3.26% for Q4 2024
  - Stable Value Fund Investment Manager recommendation on target for December
- Marketing/Communications
  - 2024 Mid-Year Targeted Mailing Campaign Results
  - Another successful National Retirement Security Month
- Operations
  - Higher Catch-Up Limit to Apply at Age 60, 61, 62, and 63 in 2025
  - IRS announces increased contribution limits for 2025
  - SFDCP staff welcomes a new Benefits Technician
- Recordkeeper
  - Retirement Counselor Staffing Update
  - Voya Annual Impact Report

Public Comment was called.

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

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

