



San Francisco City and County
Employees' Retirement System
**OPERATIONS OVERSIGHT COMMITTEE
MINUTES**

Wednesday, January 31, 2024

1145 Market Street, 6th Floor

San Francisco, CA 94103

9:00 AM

Members of the Committee 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 Committee 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.

OPERATIONS OVERSIGHT COMMITTEE MEMBERS

Shruti Gandhi, Chair

Tim O'Connor

A.J. Thomas

Alison Romano, CEO & CIO

DISABILITY ACCESS

The San Francisco Employees' Retirement System is wheelchair accessible. Accessible seating is available for persons with disabilities. To obtain a disability-related modification or accommodation, including large print agendas, American Sign Language interpreters, FM sound amplification system and auxiliary aids or services, please contact Darlene Armanino at (415) 487-7012 at least two (2) business days before the meeting.

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 8th 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, Executive Assistant, at (415) 487-7012.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

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 94102-4689
(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 request a copy from Mr. Darby or by printing 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, 7th 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 94102, telephone (415) 252-3100, fax (415) 252-3112 and web site: www.sfgov.org/ethics

Operations Oversight Committee Meeting

PUBLIC COMMENT CALL-IN: **415-655-0001** Access Code: **2663 415 5323**

Providing Public Comment

- 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 415 5323**], 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.

Public Comment was called.

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

Action Item: This is a discussion only item.

5. 013124-05 Action Item Review and Approve to Forward Department Budget for FY2024-25 and FY2025-26 to the Full Board with a Committee Recommendation to Approve

Documents provided to the Committee prior to the current meeting: Staff Memorandum

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

SFERS is required to balance its department budget against its revenue sources – the SFERS Trust assets and SFDCP recordkeeper reimbursement. All SFERS budget expenses are paid from the SFERS Trust and all SFDCP budget expenses are reimbursed to the department from the San Francisco Deferred Compensation Plan recordkeeper. Retirement receives no General Fund support from the City.

The FY2024-25 and FY2025-26 department budget priorities are:

- Establish foundation to modernize Enterprise IT platform and mitigate near term technology Risk
- Enact Year 2 of two year plan to align Retirement Services staffing with business needs to continue to effectively serve members, deliver on mission and mitigate risk
- Build on initial success of providing career path improvements for mission-critical Retirement Services and Business Services positions to enable the department to successfully recruit and retain qualified talent for these key positions
- Provide required administrative resources to support the assessment of opportunities for improving operational efficiencies and enhanced controls
- Provide analytics tools, consulting services and travel budget to effectively diligence and monitor investment strategies, thereby enhancing return and reducing risk
- Provide resources to sustain increasing member service expectations in both Retirement Services and San Francisco Deferred Compensation Plan

A significant business priority is the relocation of SFERS offices. Discussions are underway and terms are being negotiated. For purposes of this budget proposal, flat lease expenses are projected with a decrease in the price per square foot rent. Subject to negotiations, notable one-time costs, such as move expenses and furniture, will be budgeted.

The Committee 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 O'Connor, seconded by Commissioner Gandhi, for approval to Forward Department Budget for FY2024-25 and FY2025-26 to the Full Board with a Committee Recommendation to Approve.

Ayes: Commissioners O'Connor, Gandhi

Absent: Commissioner Thomas

6. 013124-06 Discussion Item Operations Oversight Committee Member Good of the Order

Chair Gandhi thanked staff for their hard work.

There were no further comments from the Committee.

Public Comment was called.

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

Action: This is a discussion only item.

7. 013124-07

Adjournment

Having no further business, the Committee adjourned the meeting at 9:45 AM