

File No. 171307

Committee Item No. 5

Board Item No. 14

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Rules Committee

Date January 17, 2018

Board of Supervisors Meeting

Date January 30, 2018

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Memorandum of Understanding (MOU) |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 - Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 700 |
| <input type="checkbox"/> | <input type="checkbox"/> | Vacancy Notice |
| <input type="checkbox"/> | <input type="checkbox"/> | Information Sheet |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

(Use back side if additional space is needed)

- | | | |
|-------------------------------------|-------------------------------------|------------------------------|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Charter Amendment</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CEQA Determination</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Controller's Analysis</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Alisa Somera

Date January 12, 2018

Completed by: Alisa Somera

Date January 16, 2018

1 [Charter Amendment - Retirement Board]

2
3 Describing and setting forth a proposal to the voters at an election to be held on June 5,
4 2018, to amend the Charter of the City and County of San Francisco to reduce the Mayoral
5 appointments to the Retirement Board from three to two members and to require that the
6 City Attorney appoint one member; to require that the appointments of the Mayor and
7 City Attorney be subject to a hearing and Board of Supervisors' approval within 60 days,
8 but that if not acted upon become effective on the 61st day; to require that the term of any
9 member appointed by the Mayor between December 1, 2014, and January 1, 2018, expire
10 on September 1, 2018, with the City Attorney appointing a member to fill such a vacancy;
11 and to require that the Retirement Board disclose certain investment information on a
12 biannual basis.

13
14 Section 1. The Board of Supervisors hereby submits to the qualified voters of the City
15 and County, at an election to be held on June 5, 2018, a proposal to amend the Charter of the
16 City and County by revising Section 12.100, to read as follows:

17 NOTE: Unchanged Charter text and uncodified text are in plain font.
18 Additions are *single-underline italics Times New Roman font*.
19 Deletions are *strike-through italics Times New Roman font*.
20 Asterisks (* * * *) indicate the omission of unchanged Charter
21 subsections.

22 **SEC. 12.100. RETIREMENT BOARD.**

23 *(a)* The Retirement Board shall consist of seven members as follows: one member of the
24 Board of Supervisors appointed by the President, ~~three~~ *two* public members to be ~~appointed~~
25 *nominated* by the Mayor ~~pursuant to Section 3.100~~, *one public member to be nominated by the*

1 City Attorney, and three members elected by the active members and retired persons of the
2 Retirement System from among their number. The nominations of public members by the Mayor
3 and the City Attorney shall be subject to approval by the Board of Supervisors, and shall be the
4 subject of a public hearing and vote within 60 days. If the Board of Supervisors fails to act on a
5 nomination by the Mayor or City Attorney within 60 days of the date the nomination is
6 transmitted to the Clerk of the Board of Supervisors, the nominee shall be deemed approved.
7 Appointments of the three public members to the Retirement Board shall become effective on the
8 date the Board of Supervisors adopts a motion approving the nomination or on the 61st day
9 following the date the nomination was transmitted to the Clerk of the Board of Supervisors if the
10 Board of Supervisors fails to act upon the nomination prior to such date. The public members
11 appointed by the Mayor and the City Attorney shall be experienced in life insurance, actuarial
12 science, employee pension planning, or investment portfolio management, or hold a degree of
13 doctor of medicine. There shall not be, at any one time, more than one retired person on the
14 Board.

15 (b) The term of the members, other than the Board of Supervisors member, shall be five
16 years, one term expiring on February 20th of each year. The three elected members need not be
17 residents of the City and County. Vacancies on the Board shall be filled by the appointing
18 authority Mayor for the remainder of the unexpired term, except that in the case of elected
19 employee members, a vacancy shall be filled by a special election within 120 days after the
20 vacancy occurs unless the next regularly scheduled employee member election is to be held
21 within six months after such vacancy occurred. Elections shall be conducted by the Director of
22 Elections in a manner prescribed by ordinance.

23 Notwithstanding subsection (a) of this Section 12.100, the term of office of any seat on
24 the Retirement Board to which the Mayor appointed a member between December 1, 2014, and
25 January 1, 2018, shall expire at noon on September 1, 2018, and the City Attorney shall appoint

1 a member to serve in that seat following the procedures set forth in subsection (a). The initial
2 term of any City Attorney appointee under this second paragraph of subsection (b) shall begin at
3 noon on September 1, 2018, and shall expire on February 20, 2019. Thereafter, the City
4 Attorney shall appoint members to the same seat as provided in subsection (a). The terms of all
5 other seats on the Retirement Board on June 5, 2018, shall continue uninterrupted.

6 (c) The Board shall appoint and may remove an executive director and an actuary. The
7 Board may employ a consulting actuary.

8 (d) In accordance with Article XVI, Section 17, of the California Constitution, the
9 Retirement Board shall have plenary authority and fiduciary responsibility for investment of
10 monies and administration of the Retirement System.

11 The Board shall be the sole authority and judge, consistent with this Charter and
12 ordinances, as to the conditions under which members of the Retirement System may receive and
13 may continue to receive benefits under the Retirement System, and shall have exclusive control
14 of the administration and investment of such funds as may be established.

15 The Retirement Board shall discharge its duties with respect to the system with the care,
16 skill, prudence, and diligence under the circumstances then prevailing that a prudent person
17 acting in a like capacity and familiar with these matters would use in the conduct of an enterprise
18 of a like character and with like aims.

19 The Board shall determine City and County and District contributions on the basis of a
20 normal contribution rate which shall be computed as a level percentage of compensation which,
21 when applied to the future compensation of the average new member entering the System,
22 together with the required member contribution, will be sufficient to provide for the payment of
23 all prospective benefits of such member. The portion of liability not provided by the normal
24 contribution rate shall be amortized over a period not to exceed twenty years.

1 (e) The Retirement Board shall require that each alternative investment vehicle in which
2 it invests disclose to the Retirement Board the information set forth in California Government
3 Code section 7514.7 on a biannual basis. The Retirement Board shall publish on its website and
4 report to the Mayor and Board of Supervisors the information disclosed under this subsection (e)
5 within 30 days of the disclosure.

6 (f) The Board may act by a majority of the members present at a meeting so long as a
7 quorum is in attendance.

8
9 APPROVED AS TO FORM:
10 DENNIS J. HERRERA, City Attorney

11 By:

12 
13 _____
14 JANA CLARK
15 Deputy City Attorney

16 n:\egana\as2017\1800175\01239550.docx

LEGISLATIVE DIGEST
(First Draft, 12/12/2017)

[Charter Amendment - Retirement Board]

Describing and setting forth a proposal to the voters at an election to be held on June 5, 2018, to amend the Charter of the City and County of San Francisco to reduce the Mayoral appointments to the Retirement Board from three to two members and to require that the City Attorney appoint one member; to require that the appointments of the Mayor and City Attorney be subject to a hearing and Board of Supervisors' approval within 60 days, but that if not acted upon become effective on the 61st day; to require that the term of any member appointed by the Mayor between December 1, 2014 and January 1, 2018 expire on September 1, 2018, with the City Attorney appointing a member to fill such a vacancy; and to require that the Retirement Board disclose certain investment information on a biannual basis.

Existing Law

Existing law establishes a seven member Retirement Board with authority to exercise plenary and fiduciary responsibility for investment of monies and in the administration of the Retirement System. Under existing law, the President of the Board of Supervisors appoints one member, the Mayor appoints three members, and three members are elected by members of the Retirement system from their membership.

Amendments to Current Law

This Charter amendment reduces the Mayoral appointments from three to two and requires that the City Attorney appoint one member. In addition, this Charter amendment requires that the Mayoral and City Attorney appointments be subject to a hearing and Board of Supervisors' approval within 60 days, but that if not acted on become effective on the 61st day. This Charter amendment also requires that the term of members appointed between December 1, 2014 and January 1, 2018 expire and that the City Attorney fill those seats. Finally, this Charter amendment requires that the Retirement Board report on its website and to the Mayor and Board of Supervisors certain investment information on a biannual basis.

n:\legana\as2017\1800175\01239462.docx



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

January 16, 2018

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

RE: File 171307 – Charter amendment regarding appointments to the San Francisco Employee Retirement System Board

Dear Ms. Calvillo,

Should the proposed charter amendment be approved by the voters, in my opinion, it would have a minimal impact on the cost of government.

The amendment reduces the number of appointments made to the San Francisco Employee Retirement System (SFERS) Board by the Mayor from three to two, and provides that the City Attorney appoint one member. The amendment requires that the Board of Supervisors hold a hearing and vote on the appointments made by the Mayor and the City Attorney. Three members would continue to be elected by SFERS members, and one member would continue to be appointed by the Board of Supervisors.

The amendment also requires a new disclosure report regarding investments in certain types of funds and corporations specified in state law, and requires that the report be provided to the Mayor and the Board of Supervisors and posted on the SFERS website.

Sincerely,

Ben Rosenfield

for Ben Rosenfield
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

December 20, 2017

File No. 171307

Lisa Gibson
Acting Environmental Review Officer
Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103

Dear Ms. Gibson:

On December 12, 2017, Supervisor Peskin introduced legislation for the following proposed Charter Amendment for the June 5, 2018, Election:

File No. 171307 Charter Amendment - Retirement Board

Charter Amendment (First Draft) to amend the Charter of the City and County of San Francisco to reduce the Mayoral appointments to the Retirement Board from three to two members and to require that the City Attorney appoint one member; to require that the appointments of the Mayor and City Attorney be subject to a hearing and Board of Supervisors' approval within 60 days, but that if not acted upon become effective on the 61st day; to require that the term of any member appointed by the Mayor between December 1, 2014, and January 1, 2018, expire on September 1, 2018, with the City Attorney appointing a member to fill such a vacancy; and to require that the Retirement Board disclose certain investment information on a biannual basis; at an election to be held on June 5, 2018.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

for By: *Alisa Somera*
Alisa Somera, Legislative Deputy Director
Rules Committee

Attachment

c: Joy Navarrete, Environmental Planner
Laura Lynch, Environmental Planner

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment. Any proposed physical project will require environmental review.

Debra Dwyer 1/12/18



SFERS

San Francisco Employees' Retirement System

City and County of San Francisco
Employees' Retirement System
Office of the Executive Director

January 16, 2018

Angela Calvillo
Clerk of the Board
Board of Supervisors
Room 244, City Hall
1 Dr. Carlton B. Goodlett Pl.
San Francisco, CA 94102

Alisa Somera
Committee Clerk, Rules Committee
Board of Supervisors
Room 244, City Hall
1 Dr. Carlton B. Goodlett Pl.
San Francisco, CA 94102

Re: File No. 171307 – Charter amendment regarding appointments to the San Francisco Employees' Retirement System Board and requiring public disclosure of certain investment information on the System's website and directly to the Mayor and Board of Supervisors

Dear Ms. Calvillo and Ms. Somera,

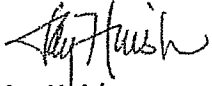
The Retirement System acknowledges receipt of notice of the above-referenced proposed Charter amendment. Should the proposed Charter amendment be approved by the voters, in my opinion, it would have minimal impact on the administration of the Retirement System.

The proposed amendment does not increase the size of the Retirement Board, but substitutes one Retirement Board member who, under current Charter authority, is appointed by the Mayor with one appointed by the City Attorney. If approved by the voters, this Charter amendment would result in the Retirement Board membership consisting of: two members appointed by the Mayor, one member appointed by the City Attorney, one member appointed by the President of the Board of Supervisors, and three members elected by SFERS members.

The proposed amendment would also require that the Retirement Board provide a report to the Mayor and the Board of Supervisors related to investment information on alternative investment vehicles held in the SFERS Trust on a biannual basis. The biannual reports referenced in the proposed Charter amendment are reports that the Retirement System will be preparing as required under California Government Code Section 7514.7, so this will not be a new reporting requirement for the Retirement System.

A representative of the Retirement System will be at the Rules Committee meeting on January 17, 2018 to answer any questions of the Retirement System that the Committee members may have.

Sincerely,



Jay Huish
Executive Director
San Francisco Employees' Retirement System

cc: Supervisor Aaron Peskin
Board of Supervisors
Room 244, City Hall
1 Dr. Carlton B. Goodlett Pl.
San Francisco, CA 94102

Supervisor Malia Cohen
Board of Supervisors
Room 244, City Hall
1 Dr. Carlton B. Goodlett Pl.
San Francisco, CA 94102

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

December 20, 2017.

File No. 171307

Lisa Gibson
Acting Environmental Review Officer
Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103

Dear Ms. Gibson:

On December 12, 2017, Supervisor Peskin introduced legislation for the following proposed Charter Amendment for the June 5, 2018, Election:

File No. 171307 Charter Amendment - Retirement Board

Charter Amendment (First Draft) to amend the Charter of the City and County of San Francisco to reduce the Mayoral appointments to the Retirement Board from three to two members and to require that the City Attorney appoint one member; to require that the appointments of the Mayor and City Attorney be subject to a hearing and Board of Supervisors' approval within 60 days, but that if not acted upon become effective on the 61st day; to require that the term of any member appointed by the Mayor between December 1, 2014, and January 1, 2018, expire on September 1, 2018, with the City Attorney appointing a member to fill such a vacancy; and to require that the Retirement Board disclose certain investment information on a biannual basis; at an election to be held on June 5, 2018.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

for By:  Alisa Somera, Legislative Deputy Director
Rules Committee

Attachment

c: Joy Navarrete, Environmental Planner
Laura Lynch, Environmental Planner

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the Controller

FROM: *AS* Alisa Somera, Legislative Deputy Directory, Rules Committee
Board of Supervisors

DATE: December 20, 2017

SUBJECT: CHARTER AMENDMENT INTRODUCED
June 5, 2018 Election

The Board of Supervisors' Rules Committee has received the following Charter Amendment for the June 5, 2018, Election, introduced by Supervisor Peskin on December 12, 2017. This matter is being referred to you in accordance with Rules of Order 2.22.4.

File No. 171307 Charter Amendment - Retirement Board

Charter Amendment (First Draft) to amend the Charter of the City and County of San Francisco to reduce the Mayoral appointments to the Retirement Board from three to two members and to require that the City Attorney appoint one member; to require that the appointments of the Mayor and City Attorney be subject to a hearing and Board of Supervisors' approval within 60 days, but that if not acted upon become effective on the 61st day; to require that the term of any member appointed by the Mayor between December 1, 2014, and January 1, 2018, expire on September 1, 2018, with the City Attorney appointing a member to fill such a vacancy; and to require that the Retirement Board disclose certain investment information on a biannual basis; at an election to be held on June 5, 2018.

Please review and prepare a financial analysis of the proposed measure prior to the first Rules Committee hearing.

If you have any questions or concerns, please call me at (415) 554-7711 or email: alisa.somera@sfgov.org. To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Todd Rydstrom, Deputy City Controller
Peg Stevenson, City Performance Director

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Mawuli Tugbenyoh, Liaison to the Board of Supervisors, Mayor's Office
Jon Givner, Deputy City Attorney, Office of the City Attorney
John Arntz, Director, Department of Elections
LeeAnn Pelham, Executive Director, Ethics Commission
Naomi Kelly, City Administrator, Office of the City Administrator
Jay Huish, Executive Director, Retirement Board
Micki Callahan, Director, Department of Human Resources

FROM: *ll*
for Alisa Somera, Legislative Deputy Director, Rules Committee
Board of Supervisors

DATE: December 20, 2017

SUBJECT: CHARTER AMENDMENT INTRODUCED
June 5, 2018 Election

The Board of Supervisors' Rules Committee has received the following Charter Amendment for the June 5, 2018, Election, introduced by Supervisor Peskin on December 12, 2017. This matter is being referred to you in accordance with Rules of Order 2.22.4.

File No. 171307 Charter Amendment - Retirement Board

Charter Amendment (First Draft) to amend the Charter of the City and County of San Francisco to reduce the Mayoral appointments to the Retirement Board from three to two members and to require that the City Attorney appoint one member; to require that the appointments of the Mayor and City Attorney be subject to a hearing and Board of Supervisors' approval within 60 days, but that if not acted upon become effective on the 61st day; to require that the term of any member appointed by the Mayor between December 1, 2014, and January 1, 2018, expire on September 1, 2018, with the City Attorney appointing a member to fill such a vacancy; and to require that the Retirement Board disclose certain investment information on a biannual basis; at an election to be held on June 5, 2018.

Please review and submit any reports or comments you wish to be included with the legislative file.

If you have any questions or concerns, please call me at (415) 554-7711 or email: alisa.somera@sfgov.org. To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Shahde Tavakoli, Mayor's Office
Kyle Kundert, Ethics Commission
Lynn Khaw, Office of the City Administrator
Lihmeei Leu, Office of the City Administrator
Darlene Armanino, Retirement Board
Susan Gard, Department of Human Resources
Carol Isen, Department of Human Resources

Introduction Form

By a Member of the Board of Supervisors or Mayor

2017 DEC 12 PM 1:16
 Time stamp
 or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [redacted] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [redacted] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. [redacted]
- 9. Reactivate File No. [redacted]
- 10. Question(s) submitted for Mayoral Appearance before the BOS on [redacted]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Peskin

Subject:

Charter Amendment - Retirement Board

The text is listed:

Describing and setting forth a proposal to the voters at an election to be held on June 5, 2108, to amend the Charter of the City and County of San Francisco to reduce the Mayoral appointments to the Retirement Board from three to two members and to require that the City Attorney appoint one member; to require that the appointments of the Mayor and City Attorney be subject to a hearing and Board of Supervisors' approval within 60 days, but that if not acted upon become effective on the 61st day; to require that the term of any member appointed by the Mayor between December 1, 2014 and January 1, 2018 expire on September 1, 2018; with the City Attorney appointing a member to fill such a vacancy; and to require that the Retirement Board disclose certain investment information on a biannual sis.

Signature of Sponsoring Supervisor:

