

File No. 211288

Committee Item No. 8

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Rules Committee

Date Jan 20, 2022

Board of Supervisors Meeting

Date _____

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OTHER (Use back side if additional space is needed)

- Charter Amendment
- _____
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Completed by: Victor Young Date Jan 24, 2022

Completed by: _____ Date _____

[Declaration of Policy and Charter Amendment - Fossil Fuel Disinvestment Policy; Retirement Board Membership]

Describing and setting forth a proposal to the voters at an election to be held on June 7, 2022, to adopt a Declaration of Policy urging the Retirement Board to divest from fossil fuels; and to amend the Charter of the City and County of San Francisco to require that one of the members of the Retirement Board who is currently appointed by the Mayor shall instead be appointed by the Board of Supervisors, and to require the Board of Supervisors-appointed member to be experienced with the management of investment portfolios based on environmental, social, and governance factors.

Section 1. Declaration of Policy.

The People of the City and County of San Francisco hereby declare:

It shall be the policy of the City and County of San Francisco that the Retirement Board should completely disinvest from fossil fuels, and the Retirement Board is urged to consider and implement this policy.

Section 2. Charter Amendment.

The Board of Supervisors hereby submits to the qualified voters of the City and County, at an election to be held on June 7, 2022, a proposal to amend the Charter of the City and County by revising Section 12.100, to read as follows:

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

1 **SEC. 12.100. RETIREMENT BOARD.**

2 (a) The Retirement Board shall consist of seven members as follows: one member of the
3 Board of Supervisors appointed by the President of the Board of Supervisors;; ~~three-two~~ public
4 members to be appointed by the Mayor pursuant to Section 3.100; one public member appointed
5 by the Board of Supervisors; and three members elected by the active members and retired
6 persons of the Retirement System from among their number. The public members appointed by
7 the Mayor shall be experienced in life insurance, actuarial science, employee pension planning,
8 or investment portfolio management, or hold a degree of doctor of medicine. The public member
9 appointed by the Board of Supervisors shall be experienced with the management of investment
10 portfolios based on environmental, social, and governance factors. There shall not be, at any one
11 time, more than one retired person on the Retirement Board. The term of the members, other than
12 the member of the Board of Supervisors ~~member~~ appointed by the President, shall be five years,
13 one term expiring on February 20~~th~~ of each year. The three elected members need not be
14 residents of the City and County. Vacancies on the Retirement Board shall be filled by the
15 appointing authority ~~Mayor~~ for the remainder of the unexpired term, except that in the case of
16 elected employee members, a vacancy shall be filled by a special election within 120 days after
17 the vacancy occurs unless the next regularly scheduled employee member election is to be held
18 within six months after such vacancy occurred. Elections shall be conducted by the Director of
19 Elections in a manner prescribed by ordinance.

20 (b) The Retirement Board shall appoint and may remove an executive director and an
21 actuary. The Board may employ a consulting actuary.

22 (c) In accordance with Article XVI, Section 17, of the California Constitution, the
23 Retirement Board shall have plenary authority and fiduciary responsibility for investment of
24 monies and administration of the Retirement System.

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

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

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

16 (d) The Retirement Board may act by a majority of the members present at a meeting so
17 long as a quorum is in attendance.

18
19 Section 3. Implementation of Charter Amendment.

20 Upon approval of this Charter Amendment at the June 7, 2022 election, the Clerk of the
21 Board of Supervisors shall, by no later than October 1, 2022, determine by lot one of the seats
22 appointed by the Mayor with a term ending February 20, 2023, to become the seat that will be
23 appointed by the Board of Supervisors as provided in the amendment to the first sentence of
24 Section 12.100. The member occupying that seat may serve the remainder of their term, but
25

1 upon expiration of said term or if said member vacates the seat before the term has expired, the
2 seat shall be filled by a member appointed by the Board of Supervisors.

3

4 APPROVED AS TO FORM:
5 DAVID CHIU, City Attorney

6

7 By: /s/
8 MANU PRADHAN
9 Deputy City Attorney
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LEGISLATIVE DIGEST

[Declaration of Policy and Charter Amendment - Fossil Fuel Disinvestment Policy; Retirement Board Membership]

Describing and setting forth a proposal to the voters at an election to be held on June 7, 2022, to adopt a Declaration of Policy urging the Retirement Board to divest from fossil fuels; and to amend the Charter of the City and County of San Francisco to require that one of the members of the Retirement Board who is currently appointed by the Mayor shall instead be appointed by the Board of Supervisors, and to require the Board of Supervisors-appointed member to be experienced with the management of investment portfolios based on environmental, social, and governance factors.

Existing Law

The Retirement Board has plenary authority and fiduciary responsibility for investment of monies and administration of the Retirement System. It has seven members: the President of the Board of Supervisors appoints one member; the active members and retired persons of the Retirement System elect three members; and the Mayor appoints three members who must have experience in life insurance, actuarial science, employee pension planning or investment portfolio management, or hold a degree of doctor of medicine.

Amendments to Current Law

The measure would adopt an official Declaration of Policy, stating that the Retirement Board should completely divest from fossil fuels, and urge the Retirement Board to consider and implement this policy.

The measure would also amend the Charter, to provide that the Mayor shall appoint only two members to the Retirement Board, and that the third Mayoral appointee shall going forward be appointed by the Board of Supervisors. The Mayoral appointee serving in the seat in question could serve the remainder of their term, which expires on February 20, 2023. Upon expiration of said term, or if said member vacated their seat before the term expired, the Board of Supervisors could fill that seat. The Board-appointed member would be required to have experience with investing based on environmental, social, and governance factors.

Background

The Retirement Board oversees the administration, management, and operation of the City's retirement plans; manages the investment of the Retirement System's assets; approves disability benefit determinations; and approves actuarial assumptions used to fund long-term benefit promises of the SFERS Pension Plan.

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BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

December 22, 2022

File No. 211288

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

Dear Ms. Gibson:

On December 14, 2021, the following proposed Charter Amendment for the June 7, 2022, Election was received and assigned to the Board of Supervisors' Rules Committee:

File No. 211288

Charter Amendment (First Draft) to adopt a Declaration of Policy urging the Retirement Board to divest from fossil fuels; and to amend the Charter of the City and County of San Francisco to require that one of the members of the Retirement Board who is currently appointed by the Mayor shall instead be appointed by the Board of Supervisors, and to require the Board of Supervisors-appointed member to be experienced with the management of investment portfolios based on environmental, social, and governance factors; at election to be held on June 7, 2022.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in black ink that reads "Victor Young".

By: Victor Young, Assistant Clerk
Rules Committee

Attachment

c: Devyani Jain, Deputy Environmental Review Officer
Joy Navarrete, Environmental Planning
Don Lewis, Environmental Planning
Laura Lynch, Environmental Planning

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

12/23/2021

A handwritten signature in black ink that reads "Joy Navarrete".

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MEMORANDUM

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

FROM: Victor Young, Assistant Clerk, Rules Committee
Board of Supervisors

A handwritten signature in black ink that reads "Victor Young".

DATE: December 21, 2021

SUBJECT: CHARTER AMENDMENT INTRODUCED
June 7, 2022 Election

The Board of Supervisors' Rules Committee has received the following Charter Amendment for the June 7, 2022, Election. This matter is being referred to you in accordance with Rules of Order 2.22.3.

File No. 211288

Charter Amendment (First Draft) to adopt a Declaration of Policy urging the Retirement Board to divest from fossil fuels; and to amend the Charter of the City and County of San Francisco to require that one of the members of the Retirement Board who is currently appointed by the Mayor shall instead be appointed by the Board of Supervisors, and to require the Board of Supervisors-appointed member to be experienced with the management of investment portfolios based on environmental, social, and governance factors; at election to be held on June 7, 2022.

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) 554-7723 or email: victor.young@sfgov.org. To submit documentation, please email or 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
Natasha Mihal, City Services Auditor

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MEMORANDUM

TO: Tom Paulino, Liaison to the Board of Supervisors, Mayor's Office
Anne Pearson, Deputy City Attorney, Office of the City Attorney
John Arntz, Director, Department of Elections
LeeAnn Pelham, Executive Director, Ethics Commission
Jay Huish, Executive Director, Retirement Board

FROM: Victor Young, Assistant Clerk, Rules Committee *Victor Young*
Board of Supervisors

DATE: December 21, 2021

SUBJECT: CHARTER AMENDMENT INTRODUCED
June 7, 2022 Election

The Board of Supervisors' Rules Committee has received the following Charter Amendment for the June 7, 2022, Election. This matter is being referred to you in accordance with Rules of Order 2.22.4.

File No. 211288

Charter Amendment (First Draft) to adopt a Declaration of Policy urging the Retirement Board to divest from fossil fuels; and to amend the Charter of the City and County of San Francisco to require that one of the members of the Retirement Board who is currently appointed by the Mayor shall instead be appointed by the Board of Supervisors, and to require the Board of Supervisors-appointed member to be experienced with the management of investment portfolios based on environmental, social, and governance factors; at election to be held on June 7, 2022.

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) 554-7723 or email: victor.young@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: Andres Power, Mayor's Office
Patrick Ford, Ethics Commission

Darlene Armanino, Retirement Board

From: [Lois Scott](#)
To: [Peskin, Aaron \(BOS\)](#); [MelgarStaff \(BOS\)](#); [Preston, Dean \(BOS\)](#)
Cc: [Young, Victor \(BOS\)](#)
Subject: KUDOS RE FOSSIL FUEL POLICY - CHARTER AMENDMENT INTRO TO RESTORE RETIRED CITY WORKERS EARNED BENEFITS
Date: Tuesday, January 4, 2022 6:18:48 PM

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

JANUARY 4 2022

To: Supervisors Peskin, Preston and Melgar

From: Lois Scott, retired City Employee (Senior Planner) and past President IFPTE 21, Local 21 and convenor for Federation of Retired Union Members, an affiliate of the San Francisco Labor Council

CHEERS FOR BETTER PROGRESS ON FOSSIL FUEL DIVESTMENT –
(POLICY DECLARATION – DEC 14) RETIREMENT TRUST FUND BUT
URGENCY FOR ALSO LOOKING TO FAIRNESS TO OLDEST RETIREES
(**PROPOSED CHARTER AMENDMENT FROM CAMPAIGN TO RESTORE
RETIRED CITY WORKERS EARNED BENEFITS 2021**)

Agree heartily with pushing more on divestment, and looking to future survival of our planet but we also need to look back and acknowledge and correct disparity in pension benefits for the 4,500 oldest retired city workers.

We need co sponsors Here's looking at you Supervisors Preston and Melgar -- for the measure which I believe Supervisor Haney is willing to support with others.

We need a pro fairness advocate to introduce and get approval of already developed charter language. **Here's looking at you, Supervisor Peskin!** **The original measure goes back to Nancy Gin** and to your help as the original measure was crafted. Below is the proposed charter language.

You've all received past packages. Please contact Fred Sanchez f1257@aol.com if you need to review again.

Thank you.

Lois Scott
85 Cleary Ct, SF 94109
415 730 9446

[https://mail.google.com/mail/u/0/?
ui=2&view=bt&ver=ops2cyp6hp6#attid%3Datt_17dc295944a2f549_0.2_f8e070cb6c634cdf_0.2](https://mail.google.com/mail/u/0/?ui=2&view=bt&ver=ops2cyp6hp6#attid%3Datt_17dc295944a2f549_0.2_f8e070cb6c634cdf_0.2)