

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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