

1 [Urging a Fossil-Free Appointee to the Retirement Board of the San Francisco Employees'  
2 Retirement System]

3 **Resolution urging Mayor London Breed to appoint an individual to the Retirement**  
4 **Board of the San Francisco Employees' Retirement System (SFERS) who has**  
5 **experience in the divestiture of failing assets, including the system's investments in**  
6 **fossil fuels, and who will commit to developing a plan for full divestment from those**  
7 **assets.**

8

9 WHEREAS, Since 2000, the San Francisco Board of Supervisors has sought to  
10 advance a shared societal imperative to address climate change by urging the Retirement  
11 Board of the San Francisco Employees' Retirement System (SFERS) to fully divest from  
12 holdings in fossil fuels, coal and tar sands; and

13 WHEREAS, SFERS has failed to make significant progress to honor this policy  
14 preference, despite the City having reiterated this position by unanimously-supported  
15 Resolutions in 2013 (Board File No. 130123) and in 2017 (Board File No. 170305), and has in  
16 fact increased its investment in Occidental Petroleum despite a Resolution passed  
17 unanimously by the Board of Supervisors in 2000 urging divestment from that asset (Board  
18 File No. 000814); and

19 WHEREAS, Over the past decade, global stock indexes without fossil fuel holdings  
20 have outperformed otherwise identical indexes that include fossil fuel companies, suggesting  
21 that while these assets may have once led the economy and world stock markets, they now  
22 lag behind; and

23 WHEREAS, Pursuant to Charter, Section 12.100, the Retirement Board (the Board) of  
24 the San Francisco Employees' Retirement System (SFERS) consists of seven members as  
25 follows: one member of the Board of Supervisors appointed by the President of the Board,

1 three public members to be appointed by the Mayor pursuant to Section 3.100, and three  
2 members elected by the active members and retired persons of the Retirement System from  
3 among their number; and

4 WHEREAS, Pursuant to the Charter, the public members appointed by the Mayor shall  
5 also be experienced in life insurance, actuarial science, employee pension planning or  
6 investment portfolio management, or hold a degree of doctor of medicine, and serve five year  
7 terms; and

8 WHEREAS, On January 28, 2021, SFERS Board Member Carmen Chu formally  
9 resigned from her seat on the Retirement Board on the occasion of her appointment by the  
10 Mayor as San Francisco City Administrator, leaving vacant a seat subject to appointment by  
11 the Mayor; and

12 WHEREAS, Mayoral appointments pursuant to Charter, Section 3.100, are deemed  
13 effective immediately unless rejected by a two-thirds vote of the Board of Supervisors within  
14 30 days following transmittal of a Notice of Appointment; and

15 WHEREAS, The appointee who will fill City Administrator Chu's vacant seat will serve  
16 for the remaining two years of the term of that vacancy, and will very likely be re-appointed to  
17 serve a full five year term thereafter, presenting the opportunity for that Retirement Board  
18 Member to shape the priorities and direction of the City's public pension for the next decade  
19 and beyond; now, therefore, be it

20 RESOLVED, That the Board of Supervisors of the City and County of San Francisco  
21 urges the Mayor to appoint an individual to the Retirement Board of the San Francisco  
22 Employees' Retirement System who will commit to working with their colleagues, staff and  
23 non-governmental stakeholders to develop a concrete plan to divest from fossil fuels with the  
24 urgency demanded by the environmental health of our planet, and in any event sooner than  
25 the Retirement Board's current pledge to go carbon neutral by 2050.