



San Bernardino County Employees'
Retirement Association

Chief Executive Officer's Report

Date: April 26, 2024

From: Debby Cherney
Chief Executive Officer

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To: SBCERA Trustees

Subject: CEO Report – May 2, 2024 Board Meeting

Administration (Debby Cherney)

We celebrated Administrative Professionals Day to make sure that our administrative support staff knows how much the SBCERA Team appreciates all that they do to support our staff, trustees and most of all, the members who count on us. As a token of our gratitude, Stacey made crock-pot steel cut oatmeal with all the toppings you can imagine and then some. The team enjoyed their breakfast together with a little music and they all took an orchid back to their desks as a thank you (this has become quite the tradition for us here at SBCERA). The International Association of Administrative Professionals promotes National Administrative Professionals Day. The observance was first launched in 1952 when U.S. Secretary of Commerce, Charles Sawyer proclaimed June as National Secretaries Week. In that same year, June 4th was designated National Secretaries Day. The name changed to Administrative Professionals in 2000 when the day was also added, and the events moved to April.

We also hosted an All-Staff Meeting and luncheon. This was our first time having everybody in the new multipurpose room. We spent time talking about the strategic plan and our SBCERA values. We had a few laughs together and kicked off the *We Are SBCERA* Campaign by handing out new t-shirts for staff to wear. Lastly, the team had an opportunity to tour the new IS space on the second floor! I have a feeling more meetings will be held there now that people know about the smart conference rooms!



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Human Resources & Risk Management (Stacey Barnier)

April has been a very busy month for us in Human Resources. We are proud to announce SBCERA's partnership with ScholarShare 529, a nationally recognized college savings plan managed by TIAA-CREF Tuition Financing, Inc. ScholarShare 529 has over 20- years history of helping individuals, family, and friends save for college. Anyone can help pay for college, and you do not need to be related to name a beneficiary of this program. Information sessions are scheduled for April 30 (in-person) and May 8 (virtually).

In honor of National Stress Awareness Month and as part of our commitment to promoting health and wellness, 15 SBCERA staff members participated in National Walking Day. The weather was beautiful and the company was amazing. We had such a nice time chatting and getting our steps in for the day. Several staff members participate our Mindfulness at SBCERA event which allowed them to do a guided meditation accompanied by a relaxing sound bath.

April is also Sexual Assault Awareness and Prevention Month. Sexual violence impacts all communities regardless of gender, sexual orientation, and age. According to the Centers for Disease and Control and Prevention, over half of women and almost 1 in 3 men have experienced sexual violence involving physical contact during their lifetime. Sexual violence affects millions of people each year in the United States. It impacts all communities regardless of gender, sexual orientation, and age. Staff were invited to wear denim with a purpose and participate in a Denim Day event in support of victims of sexual violence. We've partnered with a San Bernardino County based organization, House of Ruth, where they are committed to the prevention of domestic violence and provide safety and well-being to those impacted by it. Staff are invited to donate their old jeans to some of the families who have recently been impacted by domestic and sexual violence.

Finalist interviews have been scheduled for the top two candidates for the Investment Operations and Portfolio Analytics Manager position. We have identified our top candidates who will be invited back to participate in the in-person interviews for the Disability Retirement Manager recruitment. In person interviews for the Facilities Maintenance Technician were scheduled for April 25, 2024. We have posted the Executive Secretary position for Information Services which will close on April 30, 2024. Iliana and Cassandra attended a career fair at California State University, San Bernardino seeking interested candidates for our Executive Secretary, Cloud Architect and Accountant roles. Many students visited their booth and we are excited to see if any of them turn into viable candidates for our open SBCERA roles.

Stacey was invited to speak on an employee benefits panel at the Southern California Public Sector Human Resources Association Conference in Long Beach which hosts over 300 attendees annually. Stacey participated in a panel discussion, sharing our transition to new benefits along with Khristin Vargas from the City of Anaheim and Maria Ricci from the City of Glendora. The panel was moderated by Kelly Gonzalez and Megan Gardner of Keenan and Associates. After her panel concluded, Stacey headed off to the California Society for Human Resources (CalSHRM) Legislative Advocacy Conference and Board Meeting in Sacramento. As part of her role as the Inland Empire SHRM President, she is expected to actively participate in CalSHRM Board meetings. This particular event provides the unique opportunity for HR professionals to meet with their legislative representatives and staff, to help shape future public policies and amplify HR's voice at California's state capitol. Stacey met with legislators that represent portions of San Bernardino County including Assemblymember Gomez Reyes and Senator Ochoa-Bogh. Stacey was able to have a student from San Diego State University shadow her during these productive meetings where we discussed California's Right to Disconnect Bill (AB 2751), Expanding Mental Health & Telehealth Through Interstate Compacts (AB 2566 and AB 2051) and the overall use of Artificial

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Intelligence in the workplace and how policies affecting employers' use of AI would fit into regulatory frameworks already are in place or being proposed.

Human Resources staff attended the Assistant's Forum to share updates from Human Resources. Lastly, we are starting to review employee recognition software platforms to determine if that is something that we would like to implement at SBCERA. We reviewed three more employee recognition software platforms and are reviewing their pricing and contacting references to learn more about the platforms to help us determine if this is something that we would like to implement at SBCERA. All risk management insurance applications have been completed and submitted to the brokers. We are now waiting to see what the market brings back in terms of quotes for coverage.



Investments (Don Pierce)

Investment performance for March 2024 was positive 1.1% net of fees. This brings our fiscal year to date results to 7.1%. However, these results underperformed our policy benchmark which was 1.8% for March 2024 and 9.3% for the fiscal year to date, respectively. Although managers have generally outperformed, the plan's current posture (underweight equity and overweight fixed income) through the Informed Rebalancing program has detracted value over the last 12-months. The portfolio continues to produce strong income which results in a less volatile portfolio.

Member Services (Colin Bishop)

Consistent with a theme we've shared thus far this year, we're seeing an even greater number of our retiring members opt to retire online. For the year, we've had over 300 members submit retirement applications, with more than 62% of those members retiring via mySBCERA. For the month of April, those number have gone up even more—with 14 out of the 18 service retirements submitted during the month coming through mySBCERA. While April is typically a low volume month for retirements, that's a strong showing with 78% of April retirees choosing to retire online—our highest month yet! We're also continuing to process around 99% of our refunds via online request, with rare exceptions made for members to submit a paper form when they simply don't feel comfortable using mySBCERA. We feel these high marks are a testament to the ease-of-use of mySBCERA, and we have the results to back that up. As a reminder of the feedback we shared with the Board at the offsite meeting in March, 92% of our members who completed an online request via mySBCERA reported that it was easy. Regardless, we'll continue to look for ways to improve the quality of the experience that members receive here at SBCERA.

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Communications and Stakeholder Relations (Olivia Applegate)

For the past several years, data and direct feedback from our members have driven our strategic communications plan and the work we do. Some examples of projects that were developed from this type of information include but aren't limited to our electronic periodic newsletter campaigns, pre-recorded seminars, quick tip videos, and online self-service options. This month, the Communications Division reviewed the recent member engagement survey results in detail, celebrated the high marks in communication, and talked about ways we can continue turning member feedback into action. Our commitment to elevating the way in which we communicate, educate, and engage with our members will always be at the forefront.

SBCERA will be receiving two awards from the California Association of Public Information Officials (CAPIO) for our Quick Tip Video Series and Life After Retirement Newsletter. We're very proud of this achievement. The CAPIO EPIC Awards Luncheon will take place on Tuesday, May 14 in Indian Wells, where we will be presented with one of the two distinctive awards for each project: the CAPIO EPIC Award (Top Honors), or an Award of Distinction.

We kicked off the first stage of filming for our new video series campaign, 'We Are SBCERA'. This series will feature stories that highlight our members actively serving San Bernardino communities, retirees enjoying retirement and their journey to get to where they are, our trustees, and our team at SBCERA. There will be many stories shared—connecting SBCERA's full story. We are all SBCERA.

Fiscal Services (Amy McInerney)

A 2% cost-of-living adjustment was added to all eligible benefits for the April 30 payments, totaling approximately \$1.3 million. Additionally, members received a 2.5% increase to their COLA banks. The November CPI of 4.28% (rounded to 4.5%) was used for the COLA award.

SBCTA, one of our participating employers, paid off their entire Unfunded Actuarial Accrued Liability balance as of June 30, 2023. This additional payment of over \$12 million will reduce their employer contribution rate effective July 1, 2024.

Staff has begun validating the actuarial extract data for our June 30, 2024 valuation. We use May 31 census data to meet the timing requirements of our Annual Comprehensive Financial Report. The validation process includes member status and benefit amounts.

Staff has begun initial IRC 415 testing. IRC 415 limits the benefit amount that can be paid to retirees as part of periodic payments. Most of SBCERA's employers have entered into MOU agreements with SBCERA that allows any reduced benefit amounts to be paid to the member through their employer – leaving the member whole.

We continue to offer education to our employers. This month we instructed new staff at one of our employers on the essentials of payroll transmittal files. We look forward to future "SBCERA University" plans that will provide systematic solutions to employer training. Staff is also working on topics for the June Employers Newsletter that is produced in cooperation with the Communication department.

Information Services (Joe Michael)

As we have previously reported, SBCERA has been working towards implementing a Visitor Management System for its facilities. That system is now in place and online. All visitors are required to provide a valid form of ID when entering the building. Upon validation, the visitor is then presented with a badge that must be visible at all times. In addition to the Visitor Management System, SBCERA is working on

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several other updated security features that will be implemented over the next several months to enhance the overall safety of building tenants, staff and visitors.

SBCERA has accelerated the wind down of some of the tools deployed during the height of the Covid-19 pandemic. We are in the process of migrating the organization over to Microsoft Teams and ending our use of Slack while reducing our Zoom licensing to only some personnel. The transition will provide greater integration with existing software and services, lessen overall complexity, and reduce technology costs associated to communication services. We anticipate the migration to be completed by the end of May.

Legal & Disabilities (Barbara Hannah)

Please see Chief Counsel report.

Important Upcoming Dates & Training Opportunities

May 3, 2024	CALAPRS Trustees' Roundtable	Virtual
May 7 -10, 2024	SACRS Spring Conference	Santa Barbara, CA
May 16, 2024	SBCERA Administrative Committee Meeting	SBCERA
May 16, 2024	SBCERA Investment Committee Meeting	SBCERA
May 18 - 19, 2024	NCPERS Accredited Fiduciary Program (NAF)	Seattle, WA
May 18 - 19, 2024	NCPERS Trustee Education Seminar (TEDS)	Seattle, WA
May 19 - 22, 2024	NCPERS Annual Conference	Seattle, WA
May 21, 2024	II Private Credit Forum	Chicago, IL
June 2 – 5, 2024	LuminArx, Waterfall, Marathon and Bardin Hill Due Diligence	New York, NY
June 6, 2024	SBCERA Board Meeting	SBCERA
Jun 9 – 12, 2024	GFOA Annual Conference	Orlando, FL
June 11 – 12, 2024	P&I Sustainable Returns	Chicago, IL
June 13, 2024	SBCERA Investment Committee Meeting	SBCERA
June 18, 2024	P&I Retirement Income Conference	Chicago, IL
June 20, 2024	SBCERA Administrative Committee Meeting	SBCERA
June 20, 2024	SBCERA Audit Committee Meeting	SBCERA
June 20, 2024	P&I Retirement Income Conference	New York, NY
June 22 – 23, 2024	IFEBP Trustees Institute: Level II – Concepts in Practice	Las Vegas, NV
June 24 – 26, 2024	IFEBP Advanced Trustee & Administrators Institute	Las Vegas, NV
June 24 – 26, 2024	IFEBP New Trustees Institute: Level I – Core Concepts	Las Vegas, NV
July 11, 2024*	<i>SBCERA Board Meeting</i>	<i>SBCERA</i>
July 14 - 17, 2024	SACRS UC Berkeley Program	Berkeley, CA
July 18, 2024	SBCERA Administrative Committee	SBCERA
July 18, 2024	SBCERA Investment Committee	SBCERA
July 22 – 24, 2024	Pension Bridge – Private Equity Exclusive	Chicago, IL
August 1, 2024	SBCERA Board Meeting	SBCERA
Aug 3 – 7, 2024	NASRA Annual Conference	Pittsburgh, PA
August 8, 2024	SBCERA Investment Committee Meeting	SBCERA
August 15, 2024	SBCERA Administrative Committee Meeting	SBCERA
Aug 18 - 20, 2024	NCPERS Public Pension Funding Forum	Boston, MA
Aug 26, 2024	CALAPRS Principles of Pension Gov. for Trustees	TBD
Sep 5, 2024	SBCERA Board Meeting	SBCERA
Sept 11 - 13, 2024	SBCERA Investment Forum	Lake Arrowhead, CA
Sept 12, 2024	II 7 th Annual Allocators' Choice Awards	New York, NY

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Sept 12, 2024	P&I Influential Women in Institutional Investing	Chicago, IL
Sept 19, 2024	SBCERA Administrative Committee	SBCERA
Sept 24, 2024	P&I Fixed Income & Credit	Chicago, IL
Sept 26, 2024	P&I Fixed Income & Credit	New York, NY
Oct 11, 2024	CALAPRS Trustees' Roundtable	TBD
Oct 26 - 27, 2024	NCPERS Accredited Fiduciary Program (NAF)	Palm Springs, CA
Oct 26 - 27, 2024	NCPERS Program for Advanced Trustee Training (PATs)	Palm Springs, CA
Oct 27 - 30, 2024	NCPERS Public Safety Conference	Palm Springs, CA
Nov 13 - 14, 2024	P&I Public Funds	Sacramento, CA

Trustees wishing to attend any of the approved upcoming trainings should contact Christa James for travel and registration, or to make arrangements for meetings that need approval to be included with the upcoming Board agenda.