



San Bernardino County Employees'
Retirement Association

Chief Executive Officer's Report

Date: February 29, 2024

From: Debby Cherney
Chief Executive Officer

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To: SBCERA Trustees

Subject: CEO Report – March 7, 2024 Board Meeting

Administration (Debby Cherney)

This week, I attended the National Institute on Retirement Security's annual public policy conference on "Uniting for the Future: Accelerating Retirement Policy Progress". NIRS brings together public and private sector plans and related professionals to provide an advanced research agenda on a broad spectrum of retirement topics. Professor Teresa Gjlarducci gave a talk on her new book entitled Work, Retire, Repeat, on the issues associated with whether mandating people work longer is the right answer to solving the retirement crisis, and Senator Cassidy (R-LA) provided a summary of his bi-partisan proposal to save Social Security.

The deadline to file your annual Statement of Economic Interests (Form 700) is quickly approaching. If you haven't yet done so, statements must be filed digitally with SBCERA no later than *April 2, 2024*. Information concerning the Form 700 can be found on the Fair Political Practices Commission (FPPC) website at www.fppc.ca.gov. As a reminder, Form 700 filings are done electronically through eDisclosure, and filing instructions were emailed to filers from SBCERA@southtechhosting.com. Kindly check your junk folder for communication from this email address. Should you have any questions or require assistance, please contact Christa James.

We are looking forward to a productive Mid-Year Board Offsite on Friday, March 22, 2024, which will start at 9am. A final agenda along with materials will be circulated as we near the meeting date.

Human Resources & Risk Management (Stacey Barnier)

Human Resources staff have spent considerable time meeting with Keenan on the benefits transition which is now here! Staff have been receiving correspondence from the various carriers. Kaiser and Anthem have confirmed receipt of our enrollment information and cards are now on their way to our staff who enrolled in those plans. We continue to work with Keenan and the carriers on continuity of care plans as staff bring them to our attention. We are starting to work on our annual risk management insurance renewals as the brokers are beginning to send us renewal applications to begin the marketing process for those insurance needs.

This month Stacey attended the Virtual NCPERS HR Roundtable this week where HR leaders addressed some of the challenges they are having and learned from their colleagues across the country how they might be able to solve them. We were pleased to be able to provide some resources to a few of our southern California colleagues. She also attended the Liebert Cassidy Whitmore (LCW) public employment law legal update in San Francisco. The sessions were taught by a variety of attorneys

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including two that have worked very closely with us in the bargaining process and on our unfair labor practice charges. Sessions covered mentally fit workplaces, the new world of labor relations after the hot labor summer, changes to POST regulations related to public safety discipline and the new licensure/reporting procedures for law enforcement, hybrid/remote work issues, social media free speech and much more. This month Iliana attended "The Art of Classification Analysis" hosted by the Western Region Intergovernmental Personnel Assessment Council (WRIPAC). In this class, she learned more about the foundations of classification theory reinforced with real life examples as well as data collection and analysis methods for a solid classification study.

Debby and Stacey participated in a PERB informal settlement conference related to SBCERA's unfair labor practice charge against SEIU. SBCERA and SEIU agreed to settle their four open unfair labor practice disputes by dismissing all cases with prejudice.

This month we were also served with a decertification petition by a group of employees seeking to remove SEIU as the exclusive bargaining agent for SBCERA's employees in covered positions. The expedited review process overseen by PERB has begun and we are preparing the appropriate documents as requested by PERB. In the meantime, we will continue to engage with SEIU in matters within the scope of representation until or unless PERB notifies us differently.

As part of our commitment to Diversity, Equity and Inclusion, we have been acknowledging and celebrating Black History Month telling the stories of Black pioneers in our community. Staff feedback has been that they have enjoyed learning about the individuals and they especially loved that we included treats from a local black owned business. Many thanks to the Communications Team for their invaluable partnership on this project.

Investments (Don Pierce)

January 2024 Net of Fee performance for SBCERA came in at 0.3%. This was a relatively good result for the month. Manager outperformance was the key contributor with credit generally outperforming both US and non-US benchmarks. From a fiscal year to date basis, the fund has a 4.97% return, while this trails our benchmark and our peers, it isn't dramatic underperformance (under 100bp) and given our positioning underweight equity and overweight bonds, should equity fall, we will hold up well. Overall, credit spreads have tightened, but the yield on our overall portfolio remains at a strong 12%. We believe this will serve us well during bouts of volatility where we can rotate from cash into beaten down assets opportunistically.

Member Services (Colin Bishop)

It's been a very busy winter thus far for the Member Services team, as many members prepare for retirement ahead of the April 1 Cost-of-Living Adjustment (COLA) deadline. This year is different because it's our first busy season where members can submit their retirement applications online through mySBCERA. Since we began offering members the online retirement option late last year, we've seen an increasing portion of members opt to submit their applications online. Thus far in 2024, we've received around 200 service retirement applications, and nearly two-thirds of them have been submitted electronically. The online service retirement application is just one part of our re-worked service retirement process in which we enhanced the member experience and made improvements to our internal processes and procedures.

As part of our expanded self-service functionality, one big improvement is an online progress tracker where retiring members can track the progress of their retirement as it moves through staff review here at SBCERA. The request tracker functions like a "pizza tracker" that you might see when you order a

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pizza online, showing the member where we're at through the various stages of processing and review, and ending with the most exciting part for most retirees—the first retirement paycheck! This same type of request tracker is also part of a number of our other self-service options, like service purchases, disability retirement, and refunds. For refunds, we've received over 200 requests to refund thus far in 2024, and fully 100% of them have been submitted online. We are just a few months into this revamped process and we'll continue to make tweaks and improvements through the first half of this year.

Communications and Stakeholder Relations (Olivia Applegate)

In February, we had the opportunity to meet with San Bernardino County Professional Firefighters Local 935 and Sheriff's Employees' Benefit Association (SEBA) as part of our labor group outreach efforts. The meetings were focused on bringing them up to speed on our top member resources, the work we've been doing with our retiree working group to elevate pre and post-retirement support, and discussed how we can continue partnering together to provide retirement planning information to our shared members. We met with Local 935 President, Jim Grigoli and SEBA Executive Director, Lolita Harper and Vice President, Alisha Rosa. They shared positive feedback from their membership on how pleased they've been with our communication and outreach efforts in the last couple of years.

We held our first in-person event at SBCERA since 2020 at our after-hours pre-retirement seminar that was hosted in our new multi-purpose room. There were 22 members in attendance, and we were joined by our partners from VOYA, RESBC, San Bernardino County Employee Benefits & Services Division (EBSD), and Social Security. Attendees enjoyed the event, and we received very positive feedback. You can view a list of our pre-retirement and mid-career seminars for 2024 at: www.SBCERA.org/Seminars. We look forward to hosting many more in-person events hosted both by SBCERA and our partners like RESBC.

We are in the beginning stages of a very special video series that will feature stories that highlight our members actively serving San Bernardino communities, retirees enjoying retirement and their journey to get to where they are, trustees, and members of our team. There will be a theme of support, trust, and positive impact about SBCERA—connecting SBCERA's full story. We look forward to sharing more with you soon.

Fiscal Services (Amy McInerney)

In January, we printed and mailed 19,127 1099-R returns to our members and their beneficiaries. Since that time, we have received about 250 returned 1099-R forms. We have attempted to contact all of those members – we were able to get new addresses and resend 40. We have also reprinted about 60 returns for members who have requested them. The online functionality in mySBCERA allows 1099-R reprints at home, on the fly. This functionality has reduced reprints by over 50% - allowing members to have their 1099-R reprints instantly and avoiding additional postage costs.

The Employer team reviewed more than 800 member accounts in the month of February. These include all members with reported termination dates during February and those who met a milestone during the month as well. Account reviews after termination continue to take less than three days to complete – this is an important step to getting members onto payroll quickly. The team also met with several employers to discuss new MOU items and the coordinating pay codes, to offer Pension Gold assistance, and to process transmittal file exceptions. In the future, once we have concluded our data standardization project, the employers will be empowered to resolve their own exceptions. 1099-R returns.

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Information Services (Joe Michael)

SBCERA's new multi-purpose room is now operational. The room allows for larger meetings, seminars, and training events than the Board Chambers which was previously used. The SBCERA MPR can be divided into two separate fully functional rooms allowing for multiple events at a time. The new more streamlined technology used will be leveraged in the future as SBCERA looks to modernize and simplify its existing conference rooms.

The SBCERA Pension Administration System (PAS) Steering Committee meet last month to approve the 2024 PAS technology road map. Over the course of 2024 and into the first part of 2025 the team is dedicated to bringing additional functionality to our employer reporting services. Additionally, we will be working on providing updates and quality of life improvements to our member portal and in areas of our application that will allow staff to provide faster service to our membership. A pension system application is always evolving, and SBCERA's Steering Committee is committed to ensuring it evolves in a strategic and forward-thinking way that will best meets the needs of our members now and into the future.

Legal & Disabilities (Barbara Hannah)

Legal Services		
	<u>December</u>	<u>January</u>
Comment Sheets	38	31
DROs	7	7
Joinders	3	0
PRA Requests	2	0
Disability Retirement Unit		
Disability Retirement Applications Received	9	6
Amendments to DRA Received	3	
Disability Retirement Applications Accepted for Processing	6	4
Amendments to DRA Accepted for Processing	1	
Disability Retirement Applications Rejected as Untimely or Incomplete	1	2
Disability Retirement Applications Pending Review	2	
Payroll Setups (DR)	10	15
Payroll Setups (Death)	1	1

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Scheduled Independent Medical Examination	6	5
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Comments sheets are utilized by staff to communicate member issues for Legal Services to provide advice, including divorce Judgments, probate, and other court orders. The comment sheet process ensures that staff can quickly receive an opinion from Legal Services. Regarding the above data, Legal Services experienced a 37% decrease in the number of comment sheets processed from December to January. This is likely attributable to a decrease in submitting documents around the holiday season. The processing of Domestic Relations Orders and Joinders also dipped during this reporting period. Concerning disability retirement, in December and January, 66% of new disability retirement applications received were accepted for processing.

Important Upcoming Dates & Training Opportunities

Mar 10 – 12, 2024	Commonfund Forum	Orlando, FL
Mar 10 – 12, 2024	P&I Defined Contribution East	Orlando, FL
Mar 14, 2024	SBCERA Investment Committee Meeting	SBCERA
Mar 21, 2024	SBCERA Administrative Committee Meeting	SBCERA
Mar 21, 2024	SBCERA Audit Committee Meeting	SBCERA
Mar 22, 2024	SBCERA Board off-site	Redlands, CA
Mar 27 – 29, 2024	CALAPRS Adv. Principles of Pension Gov. for Trustees	Los Angeles, CA
April 4, 2024	SBCERA Board Meeting	SBCERA
April 9 – 10, 2024	P&I Private Markets Conference	Chicago, IL
April 11, 2024	SBCERA Investment Committee Meeting	SBCERA
Apr 15 – 17, 2024	Pension Bridge Annual	Half Moon Bay, CA
April 18, 2024	SBCERA Administrative Committee Meeting	SBCERA
Apr 30 – May 1, 2024	II Public Funds Roundtable	Los Angeles, CA
May 2, 2024	SBCERA Board Meeting	SBCERA
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
Jun 9 – 12, 2024	GFOA Annual Conference	Orlando, FL
June 11 – 12, 2024	P&I Sustainable Returns	Chicago, IL
June 18, 2024	P&I Retirement Income Conference	Chicago, IL
June 20, 2024	P&I Retirement Income Conference	New York, NY
Jun 24 – 26, 2024	II Institutional Investor Week	Newport, RI
Jul 14 - 17, 2024	SACRS UC Berkeley Program	Berkeley, CA
Aug 3 – 7, 2024	NASRA Annual Conference	Pittsburgh, PA
Aug 18 - 20, 2024	NCPERS Public Pension Funding Forum	Boston, MA
Aug 26, 2024	CALAPRS Principles of Pension Gov. for Trustees	TBD
Sept 11 - 13, 2024	SBCERA Investment Forum	Lake Arrowhead, CA
Sept 12, 2024	II 7 th Annual Allocators' Choice Awards	New York, NY
Sept 12, 2024	P&I Influential Women in Institutional Investing	Chicago, IL
Sept 24, 2024	P&I Fixed Income & Credit	Chicago, IL

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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.