



San Bernardino County Employees'
Retirement Association

Chief Executive Officer's Report

Date: September 4, 2025

From: Debby Cherney
Chief Executive Officer

Office Phone: (909) 885-7980
Email: dcherney@sbcera.org

To: SBCERA Trustees

Subject: CEO Report – September 4, 2025 Board Meeting

Administration (Debby Cherney)

The filing window for the 2025 SBCERA Board election closes on Friday, September 5 at 5:00 p.m. SBCERA's CEO and Chief Counsel will certify candidate eligibility, and an official candidate list will be published online on or before Friday, September 12, 2025. Important election dates can be found online at: <https://www.sbcera.org/board-elections>

Human Resources & Risk Management (Stacey Barnier)

August has been an incredibly busy month for the Human Resources team. We have been actively advancing several recruitment efforts throughout the month. Phone interviews were conducted for the Senior Accountant position, and in-person interviews are scheduled for the first week of September. For the Associate Investment Officer role, phone interviews are ongoing with multiple candidates. Since three individuals will be hired, the process has been extensive, and a shortlist is being finalized for panel interviews with the Investment team. Phone interviews have also been completed for the Retirement Benefits Manager, with selected candidates invited to in-person interviews. The Enterprise Systems Engineer position remains open until filled, with 11 applications received to date. The Staff Counsel role has received six applications so far and will remain open until filled, with the first review scheduled for August 28, 2025. Direct outreach continues to broaden the candidate pool. Additionally, SBCERA will welcome a new hire this month—Anna Lisa Quesada, joined the Member Services team as an Office Specialist and brings strong administrative experience from both private industry and a local middle school.

The new earthquake insurance carrier conducted a property inspection this month, supported by the Facilities team. Work also continues with the workers' compensation insurance carrier on the annual premium reconciliation process, ensuring payroll-based premiums are accurately settled. This process may result in either a refund or an additional invoice.

A major highlight of August was SBCERA's first-ever Bring Your Kid to Work Day, which welcomed 34 children, ages 8 to 18, to the workplace. The day was filled with educational and interactive activities, including financial literacy sessions with the Investment Team, hands-on tech demonstrations with IT, a fire engine showcase and contraband detection demo by Riot, the SB County Sheriff's K9, storytelling and dress-up with the Communications Team, building tours and job shadowing opportunities, leadership and public service discussions with the Executive Team, and shared meals and social activities that fostered connections. Feedback from families was overwhelmingly positive, with many children expressing excitement and a deeper appreciation for the work their parents do. Special recognition goes to Trustee

Exhibit A: Page 2

Chief Executive Officer's Report
September 4, 2025
Page 2 of 5

Bracco and Trustee Newcomer for contributing unique educational experiences, as well as to employer plan sponsors for donating career-specific apparel that made for memorable photos. The P.E.A.C.E. Team, staff volunteers, and the Communications Team are also commended for their enthusiasm, creativity, and behind-the-scenes coordination, including producing an outstanding video recap of the event. You can check out the video here: https://www.linkedin.com/posts/sbcera_sbcera-bringyourkidtoworkday-teamsbcera-activity-7359353868910014465-tT0S/?rcm=ACoAAABYOQQBIJOJJJa1-N-968DV2wKjusXZGk7I

Stacey and Cassandra attended the CalPERS Pathways for Women Conference, alongside Debby, Barbara, and Nichole Valenzuela. The conference emphasized the importance of networking and the role of mentors and sponsors in career advancement. Cassandra highlighted the *Trailblazers: Women Leading the Way* panel as a standout experience, where accomplished leaders shared inspiring stories of breaking barriers and lifting others.

Investments (Don Pierce)

As data centers ramp up to provide the necessary computing power for the swell of AI demand, one of the most talked about features is access to power and the stresses it poses to the power grid. We recently had a very informative meeting to discuss a secondary but no less relevant issue related to cooling these vast data centers. As new enterprise AI chips are developed, the amount of heat displacement needed to cool the machines grows and risks an obsolescence to existing data centers relying on air cooling. However, liquid cooling (with water or liquid refrigerants) poses its own challenges despite the improvement in heat transfer. SBCERA's exposure to hyperscale data centers has primarily been with Partners Group with the assets focused on cloud-connected data storage rather than AI which we believe has less obsolescence risk. While we believe the data center investment theme will continue, like any investment in a space with significant technical hurdles, the rewards have to offset any risk to entice SBCERA's investment interest.

Member Services (Christina Cintron)

In August, the Member Services team continued to advance several key initiatives while maintaining dependable, high-quality service across all channels.

Early in the month, work began on incorporating AI into the Dialpad phone system. This project centers on identifying and formatting information sources to upload into a closed-loop AI system, enabling the team to quickly search by keywords and provide consistent, accurate answers to members in real time. The Information Services team has been instrumental in supporting this effort. At the same time, while HVAC construction continues in the lobby, a temporary member lobby and meeting rooms were set up to ensure uninterrupted service for members visiting in person.

A highlight of the month was welcoming our new Office Specialist, Anna Lisa Quesada. Anna Lisa has already begun contributing by supporting daily operations and learning the wide range of functions that Member Services provides. Her addition strengthens our capacity to assist members efficiently and ensures coverage across multiple service channels. Just as important, she brings a positive energy and eagerness to learn that has been well received by the team. Having Anna Lisa onboard marks an exciting step forward as we continue to build a strong, collaborative work environment. Throughout the month, the Retirement Benefits team focused on both service delivery and team development. Work began to identify key metrics related to the Service Retirement process, a step that will provide greater clarity in evaluating efficiency and effectiveness. Additionally, interviews were held for the Retirement Benefits Manager position as part of the ongoing recruitment process.

Exhibit A: Page 3

Chief Executive Officer's Report
September 4, 2025
Page 3 of 5

Professional growth and alignment remained a priority, with the continuation of monthly team-led trainings. This month, the session focused on Verification of Income (VOI) requests. Carolina Ibarra, Retirement Benefits Technician, took the lead by creating a draft Standard Operating Procedure (SOP) and a detailed resource guide covering the various types of VOI requests. The training emphasized keeping this work within Member Services and ensuring the team follows a consistent process. Carolina's leadership supports alignment across the team and strengthens the quality and consistency of service we deliver to members.

Overall, August highlighted the team's ability to balance innovation, service delivery, recruitment, and professional development while continuing to provide excellent service to our members.

Communications & Stakeholder Relations (Olivia Applegate)

On Wednesday August 26, Retirement Benefits Specialist, Jessica Morgan and Communications Specialist, Jalel Braden participated in a Resource Expo hosted by San Bernardino County's Performance, Education, and Resource Center (PERC) in partnership with the Department of Agriculture, Weights & Measures at Top Golf in Ontario. They provided retirement information and answered questions for members at all stages of their career— from those just entering County service, recently vested members, and those approaching retirement. The event featured a few County departments and external vendors, offering resources to more than 50 employees. We greatly value opportunities like this to connect with our members and always look forward to participating in future events of this kind.

Our team has started scheduling filming with new participants for our ongoing We Are SBCERA campaign. Among new participants are County Fire Chief Daniel Munsey and Board Chair Marc Bracco, along with other members who are serving in various public service roles. We look forward to sharing more stories as part of this important project and are aiming to film during the weeks of September 22-26 and October 14-16.

Fiscal Services (Amy McInerney)

As part of our obligation to our auditors and actuaries, we have finalized all accounting records. Final draft financial statements have been provided to both parties to facilitate financial and valuation reporting. Staff continues to work on the notes and disclosures for inclusion in the Annual Comprehensive Financial Report.

The Employer Reporting Initiative is almost ready to launch – we are finalizing the employer documentation and are waiting on the last technological improvement pieces. The initiative focuses on a standardized data transmittal process and data integrity.

Once the vendor for the Agreed Upon Procedures is finalized, contracts will be finalized and fieldwork on Retiree Benefit Payments and the Investment Program will begin. Final reports will be presented to the Audit committee in the spring.

Information Services (Joe Michael)

The Information Services Department is advancing several key strategic priorities that strengthen SBCERA's infrastructure and operational capabilities. These initiatives focus on enhancing security, ensuring compliance, and maintaining the flexibility necessary to adopt best-in-class solutions for the benefit of the organization and its membership.

At this Board meeting, two significant recommendations are being presented for approval: the engagement of a new cybersecurity auditor and the adoption of a new storage solution. Both measures

Exhibit A: Page 4

Chief Executive Officer's Report
September 4, 2025
Page 4 of 5

are designed to enhance SBCERA's ability to protect sensitive information while ensuring alignment with evolving compliance requirements. Furthermore, the new storage solution provides the organization with greater adaptability, enabling more efficient resource utilization and ensuring that SBCERA remains well-positioned to meet the needs of its members effectively.

In addition to these strategic advancements, the HVAC project continues to progress. While the project is moving forward steadily, its complexity has at times necessitated adjustments, including the need to secure or modify permits to accommodate evolving requirements. This process involves coordination with multiple vendors and regulatory agencies, each with its own standards and procedures. SBCERA remains committed to navigating these complexities diligently to ensure the project continues without undue delay, recognizing the importance of maintaining critical infrastructure that supports operations.

Together, these initiatives reflect our ongoing commitment to strengthening SBCERA's technology and operational environment. By balancing forward-looking innovation with prudent oversight, the Information Services Department is ensuring that the organization remains secure, compliant, and resilient in the face of evolving challenges.

Legal, Disabilities & Survivor Benefits (Barbara Hannah)

Legal Services		
	<u>6/21/25 – 7/21/25</u>	<u>7/22/2025 – 8/20/2025</u>
Comment Sheets	60	64
DROs	9	11
Joinders	4	6
PRA Requests	6	4

The number of comment sheets processed remained consistent. There was a slight increase in Joinder and DRO processing.

Important Upcoming Dates – Training Opportunities

Date	Description	Location	Comments
Sep 8 – 10, 2025	CII 2025 Fall Conference	San Francisco, CA	Additional training opportunity (up to 2)
Sep 10, 2025	TPG Angelo Gordon / Lennar site visit	Rialto, CA	Pre-Authorized up to 4 Trustees
Sep 10 – 12, 2025	SBCERA Investment Forum	Lake Arrowhead, CA	N/A
Sep 16, 2025	Russell Due Diligence	Seattle, WA	Pre-Authorized up to 4 Trustees
Sep 17, 2025	SB State of the County	Ontario, CA	N/A
Sep 18, 2025	SBCERA Administrative Committee	SBCERA	N/A
Sep 23, 2025	Adams Street & William Blair Due Diligence	Chicago, IL	Pre-Authorized up to 4 Trustees

Exhibit A: Page 5

Chief Executive Officer's Report
September 4, 2025
Page 5 of 5

Date	Description	Location	Comments
Sep 23 – 25, 2025	IDAC 2025 Global Summit	San Antonio, TX	Requires advanced Board approval
Oct 2, 2025	SBCERA Board Meeting	SBCERA	N/A
Oct 3, 2025	CALAPRS Trustees Round Table	Virtual	Pre-Authorized
Oct 7, 2025	Wasatch Due Diligence	Salt Lake City, UT	Pre-Authorized up to 4 Trustees
Oct 9, 2025	SBCERA Investment Committee	SBCERA	N/A
Oct 16, 2025	SBCERA Administrative Committee	SBCERA	N/A
Oct 25 – 26, 2025	NCPERS Accredited Fiduciary Program (NAF)	Tampa, FL	Pre-Authorized
Oct 25 – 26, 2025	NCPERS Program for Advanced Trustee Training (PATS)	Tampa, FL	Pre-Authorized
Oct 26 – 29, 2025	NCPERS Financial, Actuarial, Legislative & Legal (FALL) Conference	Tampa, FL	Pre-Authorized
Nov 6, 2025	SBCERA Board Meeting	SBCERA	N/A
Nov 11-14, 2025	SACRS Fall Conference	Huntington Beach, CA	Pre-Authorized
Nov 20, 2025	SBCERA Administrative Committee	SBCERA	N/A
Nov 20, 2025	SBCERA Audit Committee	SBCERA	N/A
Nov 20, 2025	SBCERA Investment Committee	SBCERA	N/A
Dec 4, 2025	SBCERA Board Meeting	SBCERA	N/A
Dec 11, 2025	SBCERA Investment Committee	SBCERA	N/A
Dec 18, 2025	SBCERA Administrative Committee	SBCERA	N/A
Feb 2-4, 2026	Pension Bridge – Private Credit	San Diego, CA	Pre-Authorized

Trustees wishing to attend any of the 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.