



San Bernardino County Employees'
Retirement Association

Chief Executive Officer's Report

Date: October 3, 2024

From: Debby Cherney
Chief Executive Officer

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To: SBCERA Trustees

Subject: CEO Report – October 3, 2024 Board Meeting

Administration (Debby Cherney)

I'm happy to announce that SBCERA has once again received the prestigious Award for Excellence in Financial Reporting for our FY 2022-23 Annual Comprehensive Financial Report from the Government Finance Officers' Association of the United States and America. We'll plan to celebrate the achievement at an upcoming Board meeting.

Earlier this month, I attended the National Association of Government Defined Contribution Administrators (NAGDCA) annual conference in Phoenix, Arizona. Together with other members of the County's Defined Contribution (DC) oversight committee and members of the County's HR team, we attended sessions focused on best practices, lifetime income strategies, data sharing between the DB and DC plans, among other things. I walked away from the conference gratified that the DC committee's work to lower fees and streamline investment options is well-benchmarked to some of the best plans around.

SAVE THE DATE: The Retired Employees of San Bernardino County (RESBC) will be hosting their annual holiday luncheon on Monday, December 16, 2024, at the Elks Lodge in San Bernardino. Should you wish to attend, please contact Christa James and she will register you along with SBCERA staff who will be attending.

Human Resources & Risk Management (Stacey Barnier)

We are thrilled to close out the Chief of Member Services recruitment with the announcement of Christina Cintron accepting the role. We have posted the Accounting Manager vacancy that was created by Christina's promotion, with first review of applications scheduled for October 9, 2024. We have identified applicants to invite to interview for the Cloud Infrastructure Architect and will be scheduling for the week of October 7, 2024. The Survivor Benefits Manager finalist interviews are being scheduled for October 1, 2024.

This month, the HR team hosted a luncheon and salsa competition in celebration of Hispanic and LatinX Heritage Month. Staff enjoyed a slideshow of LatinX art and a LatinX soundtrack which included a variety of different artists, but now we know that everybody's favorite was Mana! Thank you to Carrie Ibarra for making the Cucumber Lime Agua Fresca and Iliana Carreon who made the Horchata and Jamaica! Several photos were shared on SBCERA's LinkedIn page and you can view those [here](#). Congratulations to our winners from the salsa competition. Our day porter, Frank, won 1st place with an overwhelming 10 votes! Our 2nd place winner was Shania Guacstar and then Nichole's Green Chile/Pico

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and Jezyca's Mangolicious tied for 3rd place. Special thanks go out to those who submitted entries into the salsa competition. We look forward to continuing to celebrate and learn about the diversity of our employees, members and community.

Stacey attended the inaugural Human Resources Summit hosted by National Conference on Public Employee Retirement Systems (NCPERS) in Denver, CO. She served as a Program Director with other public pension HR professionals from across the country to help build this event which brought together public pension human resources professionals for three days of networking, peer-to-peer learning, and hands-on training with industry experts. Stacey facilitated a discussion on Wednesday morning with Cara Woodson-Welch who is the CEO of the Public Sector Human Resources Association (PSHRA). They discussed the PSHRA 2024 Workforce Survey: Trends in Recruitment and Retention. Since 2009, PSHRA, the National Association of State Personnel Executives (NASPE), and MissionSquare Research Institute have partnered on a survey of HR managers around recruitment, retention, hard to fill positions, benefits changes, DEI, flexible workplace policies, and other key topics. Attendees learned how data from 2024 stacks up to prior years, where there's been post-pandemic improvement, and what strategies are most effective.



Investments (Don Pierce)

Investment performance for August 2024 came in as a positive 1%; however, that result trailed our policy benchmark performance of 1.9%. Despite an early August swoon in the equity markets where the S&P 500 was down over 6% in three days, markets rallied strongly the rest of August as the Federal Reserve all but confirmed a September rate cut and the S&P 500 ending up 2.4%. Bonds also rallied strongly as the prospect for rate cuts blossomed. SBCERA's existing credit portfolio continues to generate strong yield, and even if we assume a series of rates cuts from the Federal Reserve to something closer to 4.0%, this base interest level is still accretive to our overall portfolio.

Member Services (Christina Cintron)

This month, I officially stepped into the role of Chief of Member Services, and I am eager to lead our efforts in exploring innovative strategies to further elevate the service experience for our members and retirees while optimizing operational efficiency. Our team has been diligently processing applications for refunds and service retirements, as well as handling a high volume of member interactions through phone calls, message center requests, and emails. We remain committed to ensuring that each member receives the exceptional service they deserve.

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Communications and Stakeholder Relations (Olivia Applegate)

Whether you're retired or planning for retirement, informed financial planning is essential to achieving financial goals. That's why SBCERA partnered with [Financial Knowledge](#) to offer a variety of free financial education courses to our members. Financial Knowledge is an accredited financial education firm who provides expert, conflict-free financial education courses designed to empower members in managing their personal finances confidently. These courses will complement our pre-retirement and mid-career seminars, offering the chance to participate in courses conducted by certified financial planner professionals at no cost and exclusively available to SBCERA members. Members can register by visiting www.SBCERA.org/Financial-Knowledge to create a student account and begin exploring the upcoming courses. We officially announced this to our members last month through an email to our members, email to our stakeholders, a Latest News post our website, and social media. The response has been very positive already.

In September, we released two features as part of our [We Are SBCERA video series](#), featuring RESBC President and retiree [Dena Smith](#) and [Dr. Jason Low](#), the Deputy Executive Officer for the Monitoring Analysis Division at South Coast Air Quality Management District. These videos have been shared on our website, YouTube, and social media (follow us @SBCERA). We hope these stories and many others to come will continue to inspire you and serve as a reminder of why we're here and who we are together.



Last month we launched our much-anticipated SBCERA TVs in all our team breakrooms. Some of the things that will be highlighted on these TVs are latest news related to SBCERA, HR announcements, upcoming internal events, professional achievements, and personal announcements for those that wish to participate. This is one step forward on our commitment to expanding our internal communications efforts and we couldn't be more excited about this project!



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Fiscal Services (Amy McInerney)

September was a typically busy month in Fiscal Services. In the course of four weeks, the team closed the books, created basic financial statements, nearly completed all field work with Brown Armstrong, and started on the supplemental materials for the Annual Comprehensive Financial Report. Speaking of financial reports, we have received notification from GFOA that SBCERA has been awarded the Certificate of Excellence for both the ACFR and PAFR for 2023.

Information Services (Joe Michael)

The Information Services Department released its largest service patch to the Pension Administration system to date. The service patch included expanded seminar functionality, fixes to minor system defects, and we began the integration of automating member request tracking via the online self-service tools. Previously, staff needed to update these trackers manually. With the new changes identified, processes will automatically advance the steps. The next service patch will bring new options in the way employers report data to us. This change is an upcoming addition and is one of the most significant employer-based enhancements we have made.

Staff have also begun to standardize the way in which we compile and release systems changes to staff. Focusing on our Pension Administration System, this new methodology once fully realized, will provide staff quick access to the latest changes and new functionality available to them. In addition, the documentation will be stored in such a manner as to be a framework for possible AI utilization in the future.

Legal & Disabilities (Barbara Hannah)

Legal Services		
	<u>August 2024</u>	<u>September 2024</u>
Comment Sheets	38	38
DROs	17	16
Joinders	7	4
PRA Requests	0	0
Disability Retirement Unit		
mySBCERA (unsubmitted) Disability Retirement Application		
Disability Retirement Applications Received	18	9
Via Paper -	12	6
Via MySBCERA -	6	3
Amendments to DRA Received	2	1
Disability Retirement Applications Accepted for Processing	18	5

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Amendments to DRA Accepted for Processing	0	0
Disability Retirement Applications Rejected as Untimely or Incomplete	8	0
Amendments to DRA Rejected	2	1
Disability Retirement Applications Pending Review	1	4
Payroll Setups (DR)	1	8
Payroll Setups (Death)	10	21
Scheduled Independent Medical Examination	8	3

Comment sheets, Domestic Relations Order reviews, and Joinders were fairly consistent in August and September. There was a 50% decline in Disability Retirement Applications received from August to September. However, there were no applications rejected in September due to untimeliness or incompleteness. This may show that members are becoming more comfortable with the new application. Half of the Disability Retirement Applications received were submitted through the MySBCERA portal. There was an increase in active death payroll setups due to staff concentrating on clearing backlog.

Important Upcoming Dates & Training Opportunities

Oct 8 – 9, 2024	P&I Pension Derisking	Atlanta, GA
Oct 10, 2024	SBCERA Investment Committee	SBCERA
Oct 11, 2024	CALAPRS Trustees' Roundtable	San Jose, CA
Oct 16 – 17, 2024	Pension Bridge Alternatives Conference	New York, NY
Oct 17 – 18, 2024	Nossaman's Pensions, Benefits & Investments Fiduciaries' Forum	Berkeley, CA
Oct 17, 2024	SBCERA Administrative Committee	SBCERA
Oct 20 – 22, 2024	P&I Defined Contribution West	Pasadena, CA
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	Apollo, PGIM Gramercy and GoldenTree Due Diligence	New York & Connecticut
Oct 27 – 30, 2024	NCPERS Public Safety Conference	Palm Springs, CA
Nov 4, 2024	Irradiant Partners Due Diligence	Santa Monica, CA
Nov 7, 2024	SBCERA Board Meeting	SBCERA
Nov 9 - 11, 2024	IFEBP New Trustee Institute: Level I – Core Concepts	San Diego, CA
Nov 9 – 10, 2024	IFEBP Trustees Institute: Level II – Concepts in Practice	San Diego, CA
Nov 9 – 10, 2024	IFEBP Trustee Masters Program	San Diego, CA
Nov 10 – 13, 2024	IFEBP 70 th Annual Conference	San Diego, CA
Nov 13 – 14, 2024	P&I Public Funds	Sacramento, CA
Nov 13, 2024	CNBC Delivering Alpha*	New York, NY
Nov 12 - 15, 2024	SACRS Fall Conference	Monterey, CA

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Nov 13 – 14, 2024	P&I Public Funds Conference	Sacramento, CA
Nov 14 – 15, 2024	Pension Bridge Women's Private Capital Summit	New York, NY
Nov 21, 2024	SBCERA Administrative Committee	SBCERA
Nov 21, 2024	SBCERA Audit Committee	SBCERA
Nov 21, 2024	SBCERA Investment Committee	SBCERA
Dec 5, 2024	SBCERA Board Meeting	SBCERA
Dec 12, 2024	SBCERA Investment Committee	SBCERA
Dec 17, 2024	SBCERA Special Board Meeting	SBCERA
Dec 19, 2024	SBCERA Administrative Committee	SBCERA
Jan 2, 2025	SBCERA Board Meeting	SBCERA

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. (Events with an asterisk () require separate Board approval.)*