



Chief Executive Officer's Report

DATE February 27, 2020

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FROM **DEBBY CHERNEY**
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TO **BOARD OF TRUSTEES**
San Bernardino County Employees'
Retirement Association

SUBJECT **CEO Report – March 5, 2020 Board Meeting**

Administration Updates:

As a reminder, the March 5 and April 2 Board meetings are both going to be held at the Airport Authority due to our ongoing construction; most of the upcoming committee meetings are held at Children's Fund (with our continuing thanks for their accommodation). We will continue to send reminders as we get closer to each meeting.

Unfortunately, I will not be in attendance at the March 5 Board meeting as I am attending the Government Finance Officers Association Board of Directors meeting, which was scheduled over three years ago. I have delegated my authority during that meeting to Colin Bishop, Chief of Member Services, and he will be sitting in on the closed sessions in my place. I do look forward to seeing all of the Trustees at our offsite meeting on March 13 at Sierra Lakes. On that agenda will be the self-evaluations for both the Chief Counsel and me, a discussion on environmental, social and governance (ESG) investments in our Investment Framework, and a discussion of the key issues we will be addressing in our 2020 Actuarial Experience Study. We're currently planning for the sessions to run from 9:00 a.m. to 3:00 p.m. with time to break for lunch. More details will be forthcoming.

Human Resources & Risk Management (Stacey Barnier):

We have opened the external recruitment for the Information Systems Engineer position which closes on March 6, 2020. Interviews are being held for the Information Security Officer and Disability Unit Office Specialist on Thursday, February 27, 2020. As a result of the promotion of Jayson Eaton to Accounting Manager, we look forward to opening the internal recruitment for the Senior Accountant position in the coming weeks.

The deadline for the Request for Qualifications/Proposals for Property & Casualty Insurance and Broker Services is Friday, February 28, 2020. We look forward to reviewing the responses. In other ways, Stacey served as a panelist for a well-attended Human Resources Forum hosted by the Inland Empire American Society for Public Administration.

Other Departmental Updates:

Investments (Don Pierce, Chief Investment Officer):

We have seen the kick-off of advisory board meeting season and the investment department is processing a number of inbound investment requests from various

Exhibit A: Page 2

Chief Executive Officer's Report

February 27, 2020

Page 2

investment managers. January performance for SBCERA is slightly negative, as was the global stock market. Volatility picked up towards the end of the month as concerns over the coronavirus outbreak checked stock market optimism, which has continued unabated.

Fiscal Services (Amy McInerney, Chief Financial Officer):

We are excited to announce the promotion of Jayson Eaton to Accounting Manager. Jayson has been with SBCERA for nearly four years. Jayson is a CPA and has extensive public and private accounting experience prior to his tenure at SBCERA.

We have been working in coordination with Communications to develop questions for our upcoming Employer Engagement survey. The survey will guide our initiatives as we strive to become a greater resource for our participating employers.

We are in the early phase of implementing a new purchase card system for SBCERA employees and trustees. The new system will allow for immediate access by each cardholder. It will also allow for digital receipt upload and more streamlined credit card justification process.

Member Services and Communications (Colin Bishop, Chief of Member Services):

Member Services staff are well into the annual "retirement rush" period, where we see a surge of members retiring in advance of the April 1 Cost-of-Living Adjustment (COLA) deadline. Our numbers for early 2020 are tracking consistently with the past few years with an average of 76 service retirements for each of the first three months of this year. We usually see well above 100 service retirements sent to the Board for approval each April (most of which are for March retirement dates), and we expect that pattern to hold this year based on our current workflow. After that, averages for May through December dip to around 45 service retirements per month.

This week marks the beginning of our engagement with ICMI for phone system and call-center consulting services. Senior Consultant Josh Streets from ICMI will be on-site this week at SBCERA, working with staff throughout the organization to develop background for the first of two phases of this project. Phase 1 consists of an assessment of our current technology and business practices along with an analysis and documentation of our current state, along with a report on how to achieve our ideal future state. Phase 2 of this project will involve the procurement of a new phone system.

We've also begun our work with Linea Solutions on the PensionGold Refresh project. This project is set to last into early 2022, and we're currently gathering background information and documentation for Linea to review prior to the on-site arrival of their consultants.

We hosted our first after-hours seminar of the year on February 20. This event was well-attended with 25 members who participated. Our next big event will be a webinar on March 18 at 1:30 pm. We also participated in two New Employee Orientations hosted by the County on February 3 and February 17.

Exhibit A: Page 3

Chief Executive Officer's Report
February 27, 2020
Page 3

During February, SBCERA responded to four media inquiries, all of which were related to investments.

Legal Services (Barbara Hannah, Chief Counsel):

From January 25, 2020 through February 24, 2020, Legal Services has reviewed and provided advice on 30 Member Services comment sheets; processed five (5) joinder responses; reviewed 14 Domestic Relations Orders; reviewed and provided advice on 15 disability retirement applications; and, responded to one (1) public records act request.

Disability Retirement Unit (Barbara Hannah, Chief Counsel):

On February 1, 2020, Sonya Holmes was promoted to the Disability Retirement Benefits Technician. Sonya joined our team in August 2018 as a temp and then was hired as an Disability Office Specialist in November 2018. In her short time with SBCERA, Sonya was able to organize the medical records and come up with a strategy to clear up the back log. She has acquired the knowledge and skills necessary to succeed in this position and is an essential member to the team. We are looking forward to all the great ideas that Sonya will bring to the position and the overall process of the disability and survivor benefits.

Information Services (Joe Michael, Chief Information Officer):

Interviews for the Information Security Officer were conducted last week, in addition we have been actively recruiting for the vacant Information Systems Engineer position and have received several applications.

Construction on the first phase of the joint projects by SBCERA and the property management are progressing. All demolition is complete and the new reception and consultation rooms have been framed in. In addition, the first floor common area and restrooms are beginning to have their initial base skim coats, wiring, and framing put in place. We also instructed the property manager to inform all tenants that new security measures will be part of the building upgrades, including required badge access for all tenant employees, and that guests must either be escorted or provided a visitors badge.

Upcoming Meetings and Educational Training Opportunities:

March 7-10, 2020	CALAPRS General Assembly (Rancho Mirage)
March 10, 2020	SBCERA Investment Committee - CANCELED
March 12, 2020	Due Diligence – State Street (Sacramento, CA)
March 13, 2020	SBCERA Board off-site (Sierra Lakes – 16600 Clubhouse Drive, Fontana)
March 19, 2020	SBCERA Administrative Committee (Children's Fund – Suite 110)
March 30 – April 1, 2020	CALAPRS Advanced Principles of Pension (Los Angeles)
April 2, 2020	SBCERA Board Meeting (1601 E. 3 rd St, Suite 100, San Bernardino)
April 14, 2020	SBCERA Investment Committee (Children's Fund – Suite 110)
April 14-15, 2020	Pension Bridge Annual (San Francisco, CA)

Exhibit A: Page 4

Chief Executive Officer's Report

February 27, 2020

Page 4

April 21, 2020	SBCERA Administrative Committee (Children's Fund – Suite 110)
April 28, 2020	II West Coast Private Equity Summit (Los Angeles, CA)
April 29 – May 1, 2020	II Public Funds Roundtable (Los Angeles, CA)

Trustees wishing to attend any of the approved upcoming trainings should contact Christa James for travel and registration.