



San Bernardino County Employees'
Retirement Association

Chief Executive Officer's Report

Date: July 30, 2020

From: Debby Cherney
Chief Executive Officer

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To: SBCERA Trustees
San Bernardino County Employees'
Retirement Association

Subject: CEO Report – August 6, 2020 Board Meeting

Administration (Debby Cherney)

Nearly five months in to our staff working remotely due to COVID-19, staff continues to conduct the business of SBCERA, serving our members and employers, and moving all of our Strategic Priorities forward. I expect that for those staff with young children returning to school in the coming weeks, balancing work and home commitments will become more challenging, but our management team will actively work with our staff to ensure they can be successful.

Construction on the first floor is mostly complete, and is commencing on the second and third floors.

Human Resources & Risk Management (Stacey Barnier)

The Accountant recruitment closed with a total of 55 applicants including internal and external applicants. We are in the process of administering the written exam to the external candidate pool. Interviews will be conducted upon review of the exam results.

Human Resources continues to provide support to staff to ensure that office ergonomics is a priority for staff working from home. We delivered several office chairs during the month of July to help staff stay safe and avoid injury while working from home. We continue to monitor the public health orders and mandates from the Governor, as well as from our local school districts. Shortly after we conducted a survey of staff to gauge their needs related to child care and providing support for their school-aged children's educational needs, we learned that the districts in our area will be distance learning. We are developing a form to facilitate the process for staff to request schedule modifications to allow them to meet their work and home commitments.

We are in the home stretch of implementation for PolicyStat. We have a training scheduled for PolicyStat super users and approvers in August. This will help us to make our policies easier to find on the SBCERA website, with search functionality and ease of tracking revisions, updates and approvals. This will also allow us to issue policies to staff and receive acknowledgment that they have received the policies.

Investments (Don Pierce)

As the fiscal year end closes, I would like to take this opportunity to let the Board know that we are reviewing all of our manager relationships and expect to recommend a few changes in the coming fiscal year. I feel we have reasons to be optimistic as much of our recent underperformance is related to mark-

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to-market volatility, and I believe that forward returns should be higher. However, the current bout of volatility highlighted both performance and operational short-comings with some managers. Some of these relationships will take time to unwind as illiquid positions wind-down.

Member Services and Communications (Colin Bishop)

Staff continues to make progress on the PensionGold Refresh project with Linea Solutions. This project involves changes and updates to the PensionGold software we use to run our pension and benefits operations, along with related changes to our related business practices. Phase 1 of this two phase project should be completed by early September, and involves discussion and documentation of our current state of operations, along with a plan for how our future state of business and operations should look. Phase 2 will run into early 2022 and includes the implementation and testing of new solutions in PensionGold, along with the redesign of many of our everyday business processes.

We also continue to make substantial progress toward a new phone system. Working with our consultant Josh Streets from ICMI, staff has selected a preferred phone system, and is working to negotiate contracts. We expect to bring this contract to the Administrative Committee in August, and the full Board in September. Implementation will take place over several months, and we are planning on having our new phone system in place by the middle of December.

Finally, we are currently in the process of conducting our employer survey, in partnership with Probolsky Research. The survey has been sent to both operational staff and leadership at all of our participating employers. This survey is designed to determine mutual priorities with our employers—and simply find out if there are more ways we can be of service. We expect our findings to feed into future communications and initiatives—just as we've done with the member engagement survey from late last year. For that survey, we've used feedback to inform our strategic communications plan, as well as the work we're doing on the PensionGold Refresh Project and the phone system replacement project.

Fiscal Services (Amy McInerney)

July was a busy month for the Fiscal team. The team prepared and delivered the census data to the actuary for the June 30, 2020 Valuation Report. The Valuation Report is used to set rates for next year and many CAFR disclosures. The team also worked to close the books and prepare for the Financial Statement Audit. The field work will take place offsite this year, and will happen during the week of September 14th. This field work and the resulting Audit Opinion are the backbone to SBCERA's financial reporting.

In addition to these year-end related events, the team also began a recruitment to fill vacant Accountant positions. The project with Linea to refresh our pension administration software has been progressing and the Fiscal team is beginning to see the fruit of this labor in some process changes. These process changes strive to create efficiency and enhance the member experience. One such quick win was a change to the Voya form used for Service Purchase Contract payments. The change eliminates a step that members formerly had to take before being allowed to transfer the funds. The Fiscal team looks forward to more enhancements and improvements as a result of the Linea project.

Information Services (Joe Michael)

A new secure parcel drop box has been added to the north side of SBCERA's building. This parcel box will allow members to drop off enveloped documents regardless of the time of day. The unit will be checked daily and all member and shipping parcels will be processed accordingly. In addition to the new parcel drop box, SBCERA's new mail processing machine has been successfully installed. Once trained, staff will begin using the new machine to select the most cost effective method for shipping parcels,

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instead of always using one carrier. We will cease using the County for mail services, which will reduce both inbound and outbound delays with mail.

Legal & Disabilities (Barbara Hannah)

From June 23, 2020 to July 24, 2020, Legal Services has reviewed and provided advice on 26 Member Services comment sheets; reviewed nine (9) Domestic Relations Orders; reviewed and provided advice on 16 disability retirement applications; and, responded to one (1) public records act request.

Important Upcoming Dates & Training Opportunities

August 11, 2020	SBCERA Investment Committee	<i>ZOOM/Telephonic</i>
August 11, 2020	What is the Right Mix Now of Private/Public Real Assets in Your Portfolio	Online
August 18, 25-26, 2020	CALAPRS Principles of Pension Mgmt.	Online
August 20, 2020	SBCERA Administrative Committee	<i>ZOOM/Telephonic</i>
August 24-28, 2020	Pension Bridge Annual – Virtual Week	Online
September 3, 2020	SBCERA Board Meeting	<i>ZOOM/Telephonic</i>
Sept 30 – Oct 2, 2020	Nossaman – Fiduciaries' Forum	Online
October 12-13, 2020	Pension Bridge – Private Equity Exclusive	Chicago, IL

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.