



San Bernardino County Employees'
Retirement Association

Chief Executive Officer's Report

Date: October 29, 2020

From: Debby Cherney
Chief Executive Officer

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To: SBCERA Trustees
San Bernardino County Employees'
Retirement Association

Subject: CEO Report – November 5, 2020 Board Meeting

Administration (Debby Cherney)

As you'll see from the various departmental updates below, October was a busy month for SBCERA staff. In addition to advancing so many of our strategic priorities, we also participated in various continuing education opportunities, including webinars/virtual conferences from GFOA, the Bond Buyer, NEPC and various investment managers.

We were notified this week that SBCERA's Communications team are Public Relations Society of America – Inland Empire award winners for 2020. We look forward to attending the virtual awards ceremony in November and will be sure to share more information about the award(s) at that time.

Human Resources & Risk Management (Stacey Barnier)

In addition to the increase in recruitment activity that we have reported during our weekly updates, the HR team has been working on the implementation of EthicsPoint. This software will serve as a confidential reporting mechanism for staff who have identified potential ethics violations. We are also preparing a campaign to reach out to former SBCERA employees who are participants in the retiree medical trust to notify them that they will be receiving a new benefit debit card that can be used for qualifying medical expenses.

Investments (Don Pierce)

As we plan the remainder of the calendar year's activity, we have both the real estate and private equity pacing plans prepared to go to the Investment Committee in December. Concurrently, we are working carefully through our manager line-up and we expect to propose changes in the New Year. Overall, I am pleased with the progress of our portfolio, and I am confident we have more gains ahead. While we have some pockets of disappointment (some of which will be addressed in the coming months), there have been some upside surprises too that I hope to be able to share when we can.

Member Services and Communications (Colin Bishop)

Over the month of October, Member Services staff handled several dozen calls and emails related to the Alameda decision. At the end of September, we sent letters to our 530 retirees and payees affected by retirement benefit recalculations, which meant that our members had most of October to work through questions during their 30-day window to file appeals. Generally, Member Services handles the "front line" questions that members may have regarding their recalculations, while the appeals themselves are being processed by Legal Services. We also coordinate with Fiscal Services on more complex inquiries which

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may require research into a member's record—with additional support from Information Services to help with queries and reports from PensionGold (our pension software which houses our member records).

We're continuing to work with our consultants from Linea Solutions to prepare for the implementation phase of the PensionGold Refresh Project. This phase will involve changes to our pension administration software. A central part of this process is currently underway, as we work with Levi, Ray & Shoup (LRS)—the vendor of PensionGold—to finalize the scope of changes we'll need to make to the software over the next 18 months. We presented an overview of our progress thus far to the Board's Administrative Committee meeting in October. We expect to return to the Board with a full description of the scope of work—along with budget details and a discussion of the timeline and personnel involved from LRS's team—at the November Administrative Committee meeting, and then to full Board in December.

Management staff from Member Services and Information Services have been meeting with Dialpad over recent weeks to map out the implementation of our new phone system. Our consultant Josh Streets from ICMI is helping to coordinate the project, and we hope to have the new phone system in place by the end of the calendar year.

Our Communications team continues to work through some of the items identified in our Strategic Communications Plan. To this end, we're currently working on implementing feedback and ideas from the recent Employer Survey that was conducted in July.

Finally, we hosted three webinars during October, with a total of 381 members in attendance. Among these was a special webinar for the City of Chino Hills, where we covered information about the Alameda decision in addition to our normal Pre-Retirement presentation. This webinar was very well received and appreciated by the City of Chino Hills. We're currently working with South Coast Air Quality Management District on a similar webinar for their employees.

Fiscal Services (Amy McInerney)

October was a busy month in Fiscal Services! We are normally busy completing financial reports, wrapping up field requests from the auditors, and completing the CAFR. This year has been no exception to those tasks. But, in addition, we have been working tirelessly to support Legal Services with member appeals regarding the Alameda decision. Staff has prepared more than 30 final average compensation calculations, with research and detailed calculations to support the work of Legal Services. Staff has also been meeting with employers to help them walk through the implications of the Alameda decision as it pertains to each of their unique workforces. These meetings have been positive and are an excellent way for staff to demonstrate to our participating employers that we are committed to our partnership.

To support the benefit adjustments as a result of the implementation of Alameda, Fiscal staff performed a recalculation of more than 530 benefits in our pension administration system. That major feat took the work of a dedicated and conscientious team! Kudos to those who worked extra hours to accomplish their normal tasks along with these.

An RFP was issued earlier this month and final selections will be presented at the Audit Committee meeting in November, along with a presentation by Brown Armstrong, our auditors. The RFPs will allow for independent, external experts to look at three SBCERA procedures and test the accompanying controls and suggest any process improvements for each. We look forward to bringing the finished results to the Audit Committee in the Spring.

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Information Services (Joe Michael)

The Information Services Department continues to provide services on multiple projects. Each staff member is assigned to several projects, and many appear to finally be reaching their conclusion. With the addition of our newest IT staff member SBCERA is positioning itself to begin for a shift into a hybrid Cloud environment. This will allow SBCERA to take advantage of the best of both worlds, choosing what services to place in the Cloud and what services to keep on premise. Our first major Cloud service will be the long awaited migration to Microsoft 365. SBCERA was able to modify its needs to select a vendor to provide initial analysis and configuration, but with the additional staffing, SBCERA will be able to provide much of the migration itself reducing overall project cost.

Construction of the interior of the building is schedule to be completed this month. The majority of all work is done, and we are currently working through a handful of punch list items. We will be transitioning directly into two additional building-related updates. The first is the planned relocation of the main entrance from the east side of the building to the north. This requires mainly adding a sidewalk, updating ADA requirements, and restriping the areas in front of the building. The second is the replacement of the next set of building HVAC units. We had originally planned on a fall replacement due to more favorable weather. In addition to the replacement of the units, we will be installing any necessary equipment to ensure we are meeting mandated air quality requirements within the building as they pertain to COVID-19.

Legal & Disabilities (Barbara Hannah)

Legal Services:

From September 22, 2020 through October 23, 2020, Legal Services has reviewed and provided advice on 33 Member Services comment sheets; reviewed three (3) Domestic Relations Orders; filed responses for two (2) joinder pleadings; reviewed and provided advice on 13 disability retirement applications; and, responded to three (3) public records act requests.

Disability Retirement Unit:

We have seen an influx in the active death cases and staff is working diligently in making contact with the beneficiaries to ensure the benefit is set up and paid out to the beneficiaries as promptly as possible.

Important Upcoming Dates & Training Opportunities

November 10-13, 2020	SACRS 2020 Fall Conference	Online
November 17, 2020	SBCERA Investment Committee	ZOOM/Telephonic
November 19, 2020	SBCERA Administrative Committee	ZOOM/Telephonic
November 19, 2020	SBCERA Audit Committee	ZOOM/Telephonic
November 30, 2020	Industry Ventures Due Diligence	Online
December 2, 2020	NEPC Due Diligence	Online
December 3, 2020	SBCERA Board Meeting	ZOOM/Telephonic

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.