



San Bernardino County Employees'
Retirement Association

Chief Executive Officer's Report

Date: March 24, 2021

From: Debby Cherney
Chief Executive Officer

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

To: SBCERA Trustees
San Bernardino County Employees'
Retirement Association

Subject: CEO Report – April 1, 2021 Board Meeting

Administration (Debby Cherney)

SBCERA's recently updated Conflict of Interest Code was adopted by the Board of Supervisors at its March 23, 2021 meeting. A one-hour training prepared by our Legal Services team was provided for staff, and can be made available on demand for those interested.

Human Resources & Risk Management (Stacey Barnier)

Congratulations to Delaina Thomas on her promotion to Office Specialist. We have opened the internal recruitment to backfill the Receptionist position previously held by Delaina which closes on March 25, 2021. To date, we have not received any internal applicants. If none are received, we will open to the public on March 26, 2021. We are accepting applications for the Executive Secretary for Fiscal Services through March 23, 2021. Applicants meeting minimum qualifications will be invited to participate in a written examination.

Congratulations to Accounting Manager Jayson Eaton and his family as they welcomed twin boys earlier this month! We are excited to add them to our extended SBCERA family.

Investments (Don Pierce)

SBCERA's February performance came in at +2.4% continuing the strong performance SBCERA has experienced over the last few months. From a fiscal year-to-date perspective the fund has achieved a +22% return **net** of manager fees which represents +800 basis points of excess return over the Total Plan Policy. The credit recovery story continued to drive results – recall that we informed the Board in the summer that such a thing could happen given our conversations with our managers about the portfolio's go-forward yields and the lower than expected defaults we experienced.

Overall, I am very proud of our results, but I also want to thank my team and the Board. We run a differentiated portfolio that can be hard to explain at times when others are doing well, and we might be lagging behind. I appreciate your patience, and I hope these results can give you confidence in our guiding investment principles: income, value, and opportunistic.

Exhibit A: Page 2

Chief Executive Officer's Report

April 1, 2021

Page 2 of 3

Member Services and Communications (Colin Bishop)

Late winter has been busy as usual for Member Services, as we continue to handle the rush of retirements through the early part the year and into "March Madness" as member retire ahead of the April 1 cost-of-living adjustment (COLA) deadline. We'll have some numbers to share on this year's retirement trends once the dust settles, in an upcoming update. The Member Services team has done an amazing job processing retirements and counseling members this year in our first (and hopefully last) "fully remote" busy season. Big thanks to our Retirement Specialists Kristine Coe, Laura Kanchy, Tanay Colon, Stephanie Cardenas, and new addition to the team Nichole Valenzuela, for all their hard work. And a special word of thanks to Senior Retirement Specialist Erin Gates and Retirement Specialist Supervisor Monica Vargas for their leadership and flexibility. It's been a true team effort.

Finally, I'm pleased to announce that Delaina Thomas has accepted a role as our new Office Specialist in Member Services. Delaina has been our Receptionist since early January, and had worked with our Member Services department as a temporary employee in 2019. Prior to that, she was with American Funds in client services and payment administration. She also holds a bachelor's in Business Administration from Concordia University Irvine. We're very excited to welcome Delaina into her new role.

Fiscal Services (Amy McInerney)

Fiscal staff co-chaired the CALAPRS Accountants' Roundtable event. The event included an outside speaker and topics such as death notifications, interest posting and crediting, internal audit practices, and remote work. These events present a unique opportunity to compare SBCERA practices, gain new ideas, and discuss best practices.

During March, employer rate letters were sent out via email. As staff have continued to evolve and adapt to remote working, Fiscal staff have transitioned to all digital correspondence to participating employers. This digital approach saves time, but is also faster and more convenient to our employers.

Budget preparation is underway, with a draft version expected for review in May.

Information Services (Joe Michael)

SBCERA continues to bring its communication services online. After the previous year, SBCERA has been able to modernize its entire communication platform. Within the last month, SBCERA moved to its own Microsoft 365 environment allowing staff to more efficiently receive and send emails from anywhere. In addition, SBCERA replaced its previous phone system with a new cloud-based system, again allowing staff to both receive and make calls from anywhere they are setup to do so. Finally, the previous analog-based fax system was replaced with a cloud-based solution. This allows staff to receive and send faxes via email or web browser, again from anywhere. We are currently reviewing additional communication possibilities such as chat and video teleconference. It is SBCERA's goal to ensure communication options are always available to the membership.

Exhibit A: Page 3

Chief Executive Officer's Report

April 1, 2021

Page 3 of 3

Legal & Disabilities (Barbara Hannah)

From February 23, 2021 to March 22, 2021 Legal Services has reviewed and provided advice on 30 Member Services comment sheets; reviewed nine (9) Domestic Relations Orders; filed responses for five (5) joinder pleadings; reviewed and provided advice on 16 disability retirement applications; and responded to two(2) Public Records Act Requests.

Important Upcoming Dates & Training Opportunities

| | | |
|----------------------|--|---------------|
| April 7, 2021 | Crestline Due Diligence | Online |
| April 8, 2021 | II ESG Series | Online |
| April 21, 2021 | II Redefining Fixed Income Series | Online |
| April 27-28, 2021 | II West Coast Private Equity Summit | Online |
| May 4-7, 2021 | Pension Bridge Annual Conference | Online |
| May 5, 2021 | II ESG Series | Online |
| May 10, 2021 | CALAPRS Trustee Roundtable | Online |
| May 11-14, 2021 | SACRS Spring Conference | Online |
| May 27, 2021 | II Redefining Fixed Income Series | Online |
| June 7, 9 & 11, 2021 | CALAPRS Advanced Principles of Pension Mgmt for Trustees | Online |
| July 18-21, 2021 | SACRS/UC Berkeley Program | Online |
| July 27-29, 2021 | Pension Bridge Private Equity Exclusive | Online |
| Sep 28 – Oct 1, 2021 | CALAPRS Principles of Pension Gov. | Online |
| November 9-12, 2021 | SACRS Fall Conference | Hollywood, CA |

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.