

SBCERS

Santa Barbara County Employees' Retirement System

DATE: October 25, 2023

TO: SBCERS Board of Retirement

FROM: Greg Levin, CEO

RE: **Operation Report**

Recommended Action:

That the Board of Retirement:

- A. Receive and file the Operations Report,
- B. Appoint a voting proxy and an alternate for the SACRS business meeting to be held November 10, 2023 and,
- C. Direct the voting proxy to vote yes on the following items at the SACRS Board Meeting on November 10, 2023:
 - a. Secretary's Report – Spring 2023 SACRS Business Meeting Minutes and,
 - b. Treasurer's Report – July 2023 Financials and,
 - c. SACRS Legislative Committee Update – 2024 Legislative Proposals.

Informational Items

9 new retirees and 1 continuance were put on payroll during September 2023 for the October 1, 2023 payroll.

Staffing:

Two new interns have joined SBCERS in an extra help capacity working a few hours a week:

- Xander Oglesby-Hall - IT division
- Jacqueline Bangle – Disability

Brenda Morales has also joined the accounting team as Accountant I in an extra help capacity.

Administration:

The election for the 3rd (General) Member of the Board of Retirement concluded on October 10. MK Elections Services conducted a hybrid election for the General Third Member by electronic and mail-in voting from September 12, 2023 through October 10, 2023. Electronic and paper ballot return rates are listed below for the 2023 General Election and 2022 Safety Election:

	2023 General		2022 Safety	
Paper Ballot	140	31%	114	47%
Electronic Ballot	305	69%	128	53%
Total	445		242	

The votes were tallied by MK Elections Services on October 11, 2023. The candidate that receives the highest number of votes for the seat designated on the ballot shall be declared elected to that seat. The official canvass of the General Member Candidates returns is as follows:

Candidate	Votes Received
Laurie Lee (Social Services)	196
Joel Flores (General Services)	122
Julius Abanise (County Counsel)	127
Invalid	2
Total Votes	447

Congratulations to incumbent Laurie Lee, of the Social Services Department on her election to a second term. The Retired Member Zandra Cholmondeley and Alternate Retired Member Gary Blair ran unopposed and no election was held. All three seats will be sent to the Board of Supervisors for certification in the coming month.

The Administrative team supported the accounting division in execution of the Annual Comprehensive Financial Report this month. Additionally, time was spent on supporting Member Services to execute the annual open enrollment process for retiree health insurance.

Robin Hill Road:

A lease for office space is under consideration as a separate item this month.

Investments:

The Investment Team worked with Russell Terry of Reicker, Pfau, Pyle & McRoy to negotiate an investment into MCDF II, which was approved by the Board of Retirement at the September, 27th 2023 meeting. Negotiations are going well and the Investment Team expects that the contract will be signed by the end of October 2023.

In preparation for the October 25th, 2023 Board Meeting the Investment Team had review meetings with both Klarity FX and Abel Noser to review the analysis provided by each firm. The Investment Team is pleased with the details provided by both Klarity FX and Abel Noser. These reports continue to provide substantive value to SBCERS' Investment Team.

Member Services:

Member Services processed 9 retirements and 1 continuance for the October 1, 2023 benefit payment.

The team interfaced with membership at multiple events in the past month, at New Employee Welcome and Halftime Highlights, as well as in-servicing to the Air Pollution Control District, as well as Open Enrollment events. The team connected with over 400 active members at County of Santa Barbara Health Fairs in Lompoc, Santa Maria, and Santa Barbara. The first annual Retiree Open Enrollment Health Fair at the Robin Hill Road office was very well received, with over 125 retirees enjoying one-on-one conversations with our Member Services help desk, insurance providers, non-profits, and HICAP, the Health Insurance Counseling and Advocacy Program, as well as enjoying breakfast treats and getting flu and COVID vaccines. The team remains busy assisting retirees with insurance questions and changes, and will participate in the Firefighter's Open Enrollment event this month as well.

Four team members travelled to the annual PensionGold Teaming Conference at the LRS facility in Springfield, and participated in trainings, roundtables, product workshops, and meetings with our support team to advance work on milestones, workflows, and other important current tasks. The Member Services Director presented at the conference forum regarding Member Education and Engagement.

The team finalized research and fieldwork for the Brown Armstrong audit, reviewing pension records and calculations.

Current Member Services projects include:

Extra Help Limited Duration notices: the team, in conjunction with our Legal team, is responding to retirees who have been identified as having worked EXH beyond a limited duration, and working to streamline reporting and retiree communication processes.

Workday ERP: Member Services Director has been participating in County design sessions as a Subject Matter Expert in both timekeeping and payroll.

Accounting:

Accounting continues on schedule with regard to the completion of the financial statement audit and issuance of the SBCERS Annual Comprehensive Financial Report (ACFR) as of 6/30/2023. An exit interview, which closes out final fieldwork, was held on October 10, 2023 indicating that there were no significant items pending from SBCERS. Although the financial statement audit is the primary responsibility of the Accounting Division, completion of the audit is an all-hands effort requiring assistance from all divisions. Accounting staff is also preparing to audit 1099-R data and issue 1099-Rs for 2023 to all SBCERS retirees and beneficiaries. Finally, as mentioned in the staffing section of this report, Accounting welcomed Brenda Morales as an Extra Help – Accountant I. Brenda will

be assisting with payment of invoices, deposits, recording of plan sponsor contributions, and processing payroll, etc.

Information Technology:

SBCERS IT supports the operations by providing ongoing assistance to SBCERS staff, new hires, and 3rd-party consultants. Additional onboarding of extra help staff has kept IT quite busy in provisioning equipment, establishing rights and access to various systems. IT continues in developing and deploying divisionally SharePoint Wiki solution to manage policy, process procedure documentation, and knowledge bases.

SBCERS IT continues to address and implement security recommendations from the formal IT assessment completed by Miller Kaplan. Additionally, Aaron Skinner is preparing to take the CISSP certification exam (Certified Information Systems Security Professional), which is a globally recognized certification and is considered one of the best infosec and cybersecurity certifications around.

Disability:

A training on “Navigating Disability Rights in California: A Comparative Analysis of CERL vs. Labor Code” will be presented at the SACRS Fall conference on Tuesday, November 7th during the 3:00 – 5:00 PM session. This presentation is scheduled during the same time slot as the Ethics and the Sexual Harassment Prevention trainings. Trustees that have already completed these required trainings are encouraged to attend the disability session as this topic is infrequently on the SACRS conference agendas.

Looking forward to the December 13, 2023 Regular Meeting:

At the December Board Meeting, the Board will consider adoption of the June 30, 2023 Actuarial Valuation prepared by Cheiron and receive quarterly reports from private markets consultants.

Quiet Period Notice:

Quiet Period Type	Affected Parties
Watch List	Rice Hall James

Action Items

The recommended action is that the Board of Retirement appoint a voting proxy and an alternate for the SACRS Business Meeting to be held November 10, 2023, and provide direction for the voting proxy to vote in the manner approved by the Board on the following items:

- Item 2: Recommend approving the minutes of the Spring 2023 SACRS Business Meeting.
- Item 3: Recommend approving the Treasurer’s report for July 2023 – August 2023 Financials.
- Item 5b: Recommend approving SACRS Legislative Committee Proposals for 2024, which can be found on page 26 of the attached Business Meeting Packet.

Attachments:

- Member Services Statistics for September 2023
- Robin Hill Road Financials
- SACRS Voting Proxy Form
- SACRS Fall Conference Business Meeting Packet 2023