

SBCERS

Santa Barbara County Employees' Retirement System

DATE: December 11, 2024
TO: SBCERS Board of Retirement
FROM: Greg Levin, CEO
RE: Operations Report

Recommended Action:

That the Board of Retirement receive and file the Operations Report.

Informational Items

- 6 new retirees and 3 continuances were placed on payroll in October 2024 for the November 1, 2024 payroll.
- 18 new retirees and 4 continuances were placed on payroll in November 2024 for the December 1, 2024 payroll.

Staffing:

- No staffing changes.

Administration:

The Administrative team is developing tools to aid in process automation for Member Services account changes, beginning with decedent benefits. This involves using standard Microsoft tools to develop a system that will centralize data and make data on service outcomes and workloads more accessible to management. The team has also begun drafting the Popular Annual Financial Report, pending the finalized results of the Annual Comprehensive Report and Actuarial Valuation, which are presented at today's meeting.

The annual SBCERS staff retreat was held on November 7, and featured discussions about customer service, mental wellness in the workplace, and priorities for the upcoming calendar year.

Robin Hill Road:

Lease negotiations with Bardex were completed and executed on November 25, 2024 and construction plan revisions are being completed. Construction is ongoing and largely on track. Certain schedule modifications have been incurred to accommodate lease negotiations, however, change orders have been relatively modest. The Cornerstone suite is expected to be ready for occupancy between February and March, and the Bardex suite between March and April. Additional costs are expected in order to complete the Bardex suite. Staff will prepare estimates and change order revisions and brief the Real Property Management Committee and Board of Retirement on progress in January.

Investments:

In November, the Investments Team, in coordination with RVK, completed the Public Real Assets transition. At the August 2024 meeting, the Board approved State Street Global Advisors to manage the allocation for Public Real Assets That Board action reallocated assets under management from Cohen & Steers, Nuveen and Mellon TIPS; \$55, \$55 and \$10.5 million, respectively. The transition took place without a transition manager, as only one account was separately managed. To minimize time out of the market, SBCERS Investment Staff and RVK proposed a 6-tranche transition. During the transition, available cash was used to facilitate purchases while awaiting settlement of liquidations. While complex, the transition went well and SBCERS Investment Staff was very pleased with the outcome.

Investment Staff also participated in concurrent events in the “Mentor! SBC” Pilot Commencement and SACRS Fall Conference 2024. Rebecca Valdez, a member of the Mentor! SBC’s Committee, co-hosted a commencement ceremony for the eight participating pairs of the pilot program. James Hu attended SACRS Fall Conference in Monterey, CA and represented SBCERS at the Investment Roundtable. Rebecca Valdez also hosted a CALAPRS Investment Virtual Roundtable.

Member Services:

Member Services processed 6 new retirees and 3 continuances for the November 1, 2024 Payroll, and 18 new retirees and 4 continuances for the December 1, 2024 Payroll.

The team assisted members through the Open Enrollment events throughout the County, including SBCERS Open Enrollment Health Fairs in Santa Maria on October 16 and Goleta on October 17, assisting with insurance changes and guiding retirees through questions about their coverage. During Active Employee Health Fairs at the Lompoc, Santa Maria, Santa Barbara Superior Courts, and the Firefighter Open Enrollment event, the team assisted active members with questions about pending retirement plans as well as service purchases and other best practices for retirement planning.

Several Member Services staff attending the PensionGold teaming conference in Springfield, Illinois, working with our software providers to maximize our use of the system, and collaborating with other PensionGold users throughout the country. The Member

Services Director participated in the SACRS Fall Conference in Monterey, learning about the use of AI in the deployment of services, and networking with other California systems.

Current Member Services projects include:

- **Reciprocity workflows:** All members of the team have been trained to process reciprocity requests, and are each participating in the workload during the recruitment for the Departmental Business Specialist.
- **Processing changes requested during Open Enrollment, and preparing PensionGold for 2025 rates and plans.**
- **Brown Armstrong and Cheiron audit work:** the team has completed review and responses to fulfill audit data requests.

Accounting:

Accounting has completed the fiscal year end audit and compiled the accompanying financial statements as of June 30, 2024. Brown Armstrong issued an “unqualified opinion” also referred to as a clean opinion on the audit. The audit process is primarily led by the Accounting team but involves all divisions of SBCERS to some extent. The all-hands-assistance and collaboration were greatly appreciated. Accounting is currently in the process of preparing the necessary fiscal year-end financial reporting filings with the State Controller’s Office, U.S. Census Bureau, etc. Lastly, Accounting has begun the process of reviewing the fiscal year 24-25 Administrative Budget as we approach the six-month mark of the fiscal year.

Information Technology:

The Information Technology (IT) Division has made significant steps in advancing SBCERS' technological infrastructure and operational efficiency.

- **Network Upgrade Project:** IT is in the final stages of configuring a comprehensive Network Upgrade Project, which includes upgrading and replacing critical network components such as switches and firewalls, as well as integrating a new Internet Service Provider (ISP) to enhance connectivity and redundancy.
- **Deployment of ShareFile:** The team successfully implemented ShareFile, a secure file sharing and storage platform designed to streamline collaboration and content sharing for both internal and external stakeholders.
- **Cybersecurity Training Program:** To strengthen the organization's cybersecurity position, IT launched an independent monthly cybersecurity training curriculum. This initiative provides ongoing education to staff, supplementing the County's annual training program.
- **SQL Server Database:** IT established a dedicated SQL Server database and is collaborating with the Auditor-Controller’s Office to create an independent repository for County payroll records, enabling SBCERS data accessibility and security.
- **Fiber Optics Implementation at Robin Hill Road:** As part of efforts to improve system redundancy and address tenant needs at the Robin Hill Road location, IT worked with Frontier to establish a new fiber optics line.

Disability:

Last month, the disability team’s new case management software, LegalServer, went live after several months of training, design, and testing. The team is currently in the refinement phase where current case data is manually entered and potential design issues are identified for correction. LegalServer will allow the team to more efficiently maintain case data, identify current activity, and run a series of reports for statistical and workflow efficiency purposes.

Trustee Education Hours as of December 2024:

Trustee	2023		2024		Total Cost	Total Hours
	Cost	Hours	Cost	Hours		
Frederick Tan	\$0.00	3.5	\$1,196.86	20.0	\$1,196.86	23.5
Harry E. Hagen	\$687.12	19.8	\$1,653.06	56.0	\$2,340.18	75.8
Zandra Cholmondeley	\$5,379.20	86.3	\$4,369.39	76.0	\$9,748.59	162.3
Michael Vidal	\$4,954.32	69.5	\$3,297.72	61.5	\$8,252.04	131.0
Gary Blair	\$2,266.09	42.1	\$162.81	23.0	\$2,428.90	65.1
Steve Lavagnino	\$1,997.54	41.8	\$120.00	22.0	\$2,117.54	63.8
Michael Daly	\$5,097.44	39.1	\$6,873.74	66.0	\$11,971.18	105.1
Paul Uhl	\$6,519.00	93.1	\$2,081.32	40.8	\$8,600.32	133.8
Laurie Lee	\$7,297.37	94.3	\$2,573.56	42.0	\$9,870.93	136.3
Robert Bianchi			\$120.00	30.5	\$120.00	30.5
Dustin Dodgin			\$120.00	28.8	\$120.00	28.8
Grand Total	\$34,198.08	489.48	\$22,568.46	466.5	\$56,766.54	955.98

Looking forward to the January 22, 2025 Regular Meeting:

At the January 22, 2025 Board of Retirement meeting, the Board will receive the Other Post-Employment Benefit Plan (“OPEB”) Actuarial Valuation as of June 30, 2024 and the mid-year budget review for the fiscal year June 30, 2025.

Quiet Period Notice:

Quiet Period Type	Affected Parties
Watch List	Artisan

Action Items

No action.

Attachments:

- Member Services Statistics for October & November 2024
- Trustee Education Report as of December 2024
- Robin Hill Road Financials