

SBCERS

Santa Barbara County Employees' Retirement System

DATE: February 26, 2025
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

- 16 new retirees and 6 continuances were placed on payroll in January 2025 for the February 1, 2025 payroll.

Staffing:

- No staffing changes.

Administration:

Since January, the administration team published the June 30, 2024 Popular Annual Financial Report (or “Annual Report”). Looking forward, the team is preparing for the 3rd annual Open House that typically takes place in June, as well as assisting Member Services team in upcoming department in-servicing events.

The team continues to partner with County HR and manage recruitments for several vacancies, including Financial Office Professional Senior, Department Business Specialist II, and IT administrator. A new scheduling policy that formalizes a hybrid work schedule and creates a new process for requesting scheduling changes was implemented. Additionally, a new policy on medical leave was also implemented. The team continues to work on formalizing SBCERS human resources policies in general. In April, the monthly all staff meeting will be in person and the focus will be on human resources policy and procedure and include a presentation on California Labor Laws from the County’s Equal Employment Opportunity Manager.

Lastly, the improvement project to enhance Member Services death benefit processing is in the final testing phase and anticipated to be rolled out in March. Pending results of the rollout, the initiative will be re-applied to additional processes beginning with buyback requests.

Robin Hill Road:

Cornerstone Suite

Construction on the Cornerstone suite is progressing smoothly as the project moves into its final stages. Key activities include installation of glass for various offices, T-bar ceilings installed and awaiting inspection, floor preparations scheduled to begin the week of February 25.

There are some supply chain issues affecting specific flooring materials, but efforts are underway to mitigate delays. The project remains on track for completion by March 17, 2025.

Bardex Suite

Construction for the Bardex space modifications began in the second week of February, following Schipper Construction's receipt of revised cost proposals for the various trades based on requested Bardex lease changes. Work is now underway, with an anticipated completion date of May 30, 2025.

Budget and Cost Implications

The original project scope has been adjusted to accommodate Bardex's tenant-requested modifications, resulting in changes to the original contract cost. So far:

- Change orders and additional costs related to Bardex modifications have been offset using available credits.
- The project remains under the originally authorized budget at this time.
- Once the final costs for Bardex's changes are confirmed, an updated budget impact report will be provided.

Both suites are progressing smoothly, with continued focus on managing costs and minimizing delays.

Investments:

The Investment Team successfully transferred assets managed by PanAgora Asset Management in the Dynamic International Equity strategy through a transfer-in-kind (TIK). During the February 2024 Board of Retirement meeting, the Board approved the transition of assets from a separately managed account into a commingled investment trust, aiming to increase the System's operational efficiencies. The value of the assets at the time of transfer was approximately \$244 million. Simultaneously, the Investment Team initiated the foundational work for the Artisan Partners TIK, targeting completion by mid-Spring 2025. As of December 31, 2024, Artisan's assets under management totaled approximately \$165 million.

The Investment Team made their second annual visit to UCSB's campus to present to the Student Investment Program (SIP). Developed by the UCSB Economics Department and offered through the extension program, SIP aims to equip students with skills and knowledge directly applicable to the investment field. Outside speakers play a significant role in the SIP curriculum. Rebecca Valdez and Rebekah Bardakos presented to the SIP students, covering topics such as benefits and asset allocation.

Member Services:

Member Services processed 16 new retirees and 6 continuances for the February 1, 2025 Payroll.

Current Member Services projects include:

- Cost of Living Adjustment and Pre-Retirement seminars: the team is preparing for North County and South County in-person seminars
- Reciprocity workflows: All members of the team are participating in the workload during the recruitment for the Departmental Business Specialist.
- Planning sessions for the next season of Departmental Payroll Administrator trainings and 2025 financial literacy sessions.
- Communications to retirees with large Health Reimbursement Arrangement account balances are being prepared to assist members in expending their balances.

Accounting:

The Accounting Division has begun the process of setting up the Accounts Payable module in our general ledger system, Acumatica, with the goal to pay SBCERS' vendors internally by 7/1/2025. Accounting has also embarked on some collaborative efforts within the other divisions of SBCERS this month. Accounting has partnered with the Member Services Division to revisit and streamline the collections process. Accounting has also partnered with the Disabilities Division to assist with the reporting portion of the newly implemented Legal Server system. Accounting worked with the Investments Division to process transactions to rebalance the U.S. Equity asset allocation. And, lastly, Accounting worked with the Information Technology Division to test and rollout ShareFile, a system that will be used to securely share documents internally and externally.

Information Technology:

The IT division has successfully completed the configuration and implementation of Palo Alto firewalls. Additionally, they coordinated with Frontier internet service provider to install fiber into the building and have met with Impulse internet service provider to develop a plan for their fiber installation into the building. Impulse is the preferred provider for one of the new tenants. Once the Impulse fiber installation is complete, the building will have access to three internet service providers: Cox, Frontier, and Impulse.

Deployment of the Data Loss Prevention (DLP) project remains ongoing, with recent progress including the completion of the ShareFile rollout and implementation of sensitivity labels. The team has successfully renewed and applied various security certificates across servers and continues to monitor and validate the Simpler Sync County data feed, which has been running successfully.

A significant focus over the past month has been on knowledge transfer, training, and documentation in preparation for Lesley Torgeson's retirement, ensuring a smooth transition of responsibilities and operations.

Looking forward to the March 19, 2025 Regular Meeting:

At the March 19, 2025 Board of Retirement meeting, the Board will receive market update and capital market expectations presentations from RVK, Inc., the quarterly trustee education report, and a closed session item regarding personnel.

Quiet Period Notice:

Quiet Period Type	Affected Parties
Watch List	Artisan

Action Items

No action.

Attachments:

- Member Services Statistics for January 2025
- Robin Hill Road Financials