

SBCERS

Santa Barbara County Employees' Retirement System

DATE: August 28, 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 and adopt a Board of Retirement regular meeting schedule for the 2025 calendar year.

Informational Items

- 10 new retirees and 7 continuances were placed on payroll in June 2024 for the July 1, 2024 payroll.
- 13 new retirees and 7 continuances were placed on payroll in July 2024 for the August 1, 2024 payroll.

Staffing:

- Brenda Morales was promoted from Accountant I extra help to regular status.

Administration:

The Administration Team is planning the 2024 Participating Employer Summit to provide an update and education for the leaders of SBCERS' participating employers on September 11, 2024. The team has also assisted with the planning of the second Department Payroll Administrator (DPA) & HR Manager Ambassador Series training taking place on September 12, 2024.

The proposed 2025 Board of Retirement regular meeting schedule is attached. The Board will meet regularly on the fourth Wednesday of the month with the exception of the following meetings:

- The March meeting is scheduled for the third Wednesday to accommodate for school spring break schedule.
- No July meeting.
- The November meeting is tentatively scheduled depending on Board of Retirement workload.

- The December meeting is on the second Wednesday of December to accommodate the holidays and also account for the missing meeting in November.

SBCERS became a member of the National Conference on Public Employee Retirement Systems (NCPERS). NCPERS is a trade association for public pensions, representing approximately 500 plans, plan sponsors, and other stakeholders throughout the United States and Canada. They offer high-quality education and fiduciary training at conferences such as the Annual Conference and Exhibition (ACE); Financial, Actuarial, Legislative, and Legal Conference (FALL); Public Safety Conference; Trustee Educational Seminar (TEDS); Program for Advanced Trustee Studies (PATS); Public Pension Funding Forum; and the Public Pension HR Summit. These events have been added to the monthly training opportunities list that is approved in the consent agenda.

On Tuesday, July 30, the Board of Supervisors approved MOU agreements with SEIU Local 721, among others, as well as a General Salary Increase (GSI) of 4.5% for management, appointed executive, and certain confidential unrepresented employees effective August 5, 2024. At time of writing, the County has come to a tentative agreement with SEIU Local 620, which includes a 5.0% GSI. As a result, managers and confidential unrepresented staff will receive a corresponding adjustment pursuant to the terms of the County's Management Compensation Plan.

Lastly, staff have been collecting submissions for the 3rd Annual SBCERS Member Photo Competition. Members may submit photos via the link at www.sbcers.org through Monday, September 2. A link for voting will be distributed on Tuesday, September 3 and winners will be announced on Monday, September 9. Photos will be used in SBCERS' publications and printed for decoration around the office.

Robin Hill Road:

Contract negotiations have been completed and work on the vacant spaces is expected to begin mid-September once final permit approvals are received.

Investments:

The Investment Team worked with Russell Terry of Reicker, Pfau, Pile & McRoy LLP to finalize negotiations with Pantheon Credit Opportunities Fund III. SBCERS closed on a \$27.5 million commitment as of August 1, 2024. Pantheon represents a new relationship in the Private Credit portfolio.

The Investment Team collaborated with RVK on the Diversified Inflation Strategy Invitation to Bid (DIS ITB). Eleven strategies across ten firms were invited to bid for the newly defined Diversified Inflation Strategy mandate, the public portion of the Real Asset sleeve of the portfolio. The results of that process and the recommendation to hire State Street Global Advisors are presented to the Board of Retirement at today's meeting. In addition to the completion of the DIS manager search, the Investment Team also worked on the securities lending recommendations and private credit education on the agenda for today's meeting.

Member Services:

Member Services processed 10 new retirees and 7 continuances for the July 1, 2024 payroll, and 13 new retirees and 7 continuances for the August 1, 2024 payroll.

The team conducted an in-service to the Probation Department in Santa Maria, educating active members on best practices for retirement preparedness.

Current Member Services projects include:

- Preparing for the upcoming Open Enrollment season for 2025 Health Insurance, including virtual and in person events for County Active Employees, Firefighters Local 2046, and the Superior Court. SBCERS will host in person health fairs in Santa Maria and Santa Barbara, a Zoom webinar, virtual appointment drives, and a virtual health fair, the contents of which will remain available online for the entirety of 2025.
- Preparing for our next Departmental Payroll Administrator Ambassador training, a simulated retirement counseling with a variety of scenarios and their impacts explained.
- Death reporting services: the team is utilizing PBI to investigate the deaths of retiree nominated beneficiaries, as well as to audit the results of our former death reporting service. The team is developing communications to retirees for whom spousal death records occur to ensure continuance and death benefit nominations are updated.
- Workday ERP: the SBCERS Member Services Director has been participating in County design sessions as a subject matter expert in both timekeeping and payroll.

Accounting:

The Accounting Division has begun working with the System's auditors, Brown Armstrong, to conduct the June 30, 2024 fiscal year end audit. The auditors were provided various items to be audited which include financial data, contract information, internal control check lists, and policies and procedures. A parallel process occurs during the audit where Accounting reconciles and compiles the fiscal year-end financial statements that will be part of the Annual Comprehensive Financial Report (ACFR). Accounting has also begun working with the System's actuary, Cheiron, to provide them with financial and demographic information that will be used to compile the June 30, 2024 Actuarial Valuation. Lastly, Accounting collaborated with Member Services to provide assistance in reviewing and improving the procedures and tools used to calculate member buy backs.

Information Technology:

The team has successfully acquired, configured, and deployed new equipment to replace outdated and end-of-life computers and network equipment. They have also redeployed older equipment for continued use, inventoried equipment, and prepared obsolete equipment for disposal. Additionally, they have completed an annual review of contracted subscription services to assess their cost-effectiveness, coverage, and necessity.

IT is also initiating a data classification process in selected divisions as the first phase of a broader data classification project set to roll out over the next year. This process involves organizing and categorizing data based on its sensitivity, value, and importance to the organization. Effective data classification enhances data security, ensures proper access controls, and supports compliance with policy requirements.

We are also in the final stages of planning for the Network Refresh Project, which includes replacing firewalls, switches, and software, as well as reconfiguring VLANs, VPNs, and other network traffic components.

Disability:

In July, the team hosted disability and executive staff members of the Ventura County Employees’ Retirement Association (VCERA) to provide training on the disability retirement process and a roundtable discussion regarding common legal issues.

This summer, Disability Retirement Analyst Katrina Peña attended and graduated from the CALAPRS Management Training Academy. As a CALAPRS Board Member, SBCERS CEO Greg Levin led one of the training sessions and presided over the graduation ceremony.

Over the last two months, the team attended training and design sessions as part of the implementation process of a new case management system. LegalServer is a web-based case management software system used by legal aid organizations, Public Defender and County Counsel departments, as well as Social Services and other government agencies. The system is highly customizable and is used to manage various aspects of delivering services, including maintaining case information, managing workflows and deadlines, tracking and reporting statistical trends, and documenting communications with interested parties, among other tasks and features. The target go live date is scheduled for mid-November, followed by a 1–2-month refinement phase.

Looking forward to the September 25, 2024 Regular Meeting:

At the September 25, 2024 Board of Retirement meeting, the Board will receive recommendations for new earnings codes from SBCERS Staff and hear investment presentations including an election year economic update from Mellon and the monthly investment report from RVK, Inc.

Quiet Period Notice:

Quiet Period Type	Affected Parties
Watch List	Artisan

Action Items

Adopt a Board of Retirement regular meeting schedule for the 2025 calendar year.

Attachments:

- Member Services Statistics for June 2024
- Member Services Statistics for July 2024
- Robin Hill Road Financials
- Proposed 2025 Board of Retirement Meeting Schedule