

SBCERS

Santa Barbara County Employees' Retirement System

DATE: June 26, 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

10 new retirees and 1 continuance were placed on payroll in May 2024 for the June 1, 2024 payroll.

Staffing:

There were no staffing changes.

Administration:

The Administration Team led another successful Open House on June 7, 2024. Over 130 members attended the event, and 450 pounds of food was donated to the Food Bank of Santa Barbara County. The team is now planning a Participating Employer Summit to provide an update and education for the leaders of SBCERS participating employers in September 2024. The second Department Payroll Administrator (DPA) & HR Manager Ambassador Series training is scheduled for September 12, 2024.

Annual performance evaluations were completed for all unclassified managers. The administrative team also supported the accounting team in the production of the System's annual budget.

Robin Hill Road:

Plan check comments are in the process of being reviewed and bids for the remaining interior buildout are currently being evaluated. A request for contracting authority is considered as an item on the docket during this meeting. The building is currently being appraised in keeping with the Board's policy of completing an appraisal every two years for the System's audited Annual Comprehensive Financial Report. The appraised value will be provided to the Board when received.

Investments:

The Investment and Accounting Team engaged Bob Perez of Foster Garvey to assist with custodian bank contract negotiations with Bank of New York Mellon (BNYM). Foster Garvey is on the list of firms previously approved by the Board. Currently, all historical materials regarding custodian bank agreements are being reviewed by Foster Garvey before initiating negotiations with BNYM later this month.

After the Board of Retirement's approval at the May 22nd Meeting to invest \$27.5 million into Pantheon Credit Opportunities Fund III, the Investment Team coordinated with Russell Terry, Reicker, Pfau, Pyle & McRoy, LLP to begin negotiations with Pantheon. In addition to opening legal negotiations, the Investment Team is working on completing Know-Your-Client/Anti-Money Laundering (KYC/AML) due diligence to gain clearance into the fund. SBCERS is expected to close into the Pantheon Credit Opportunities Fund III in late June or July.

Rebecca Valdez co-hosted the launch and orientation of Mentor! SBC Pilot Program. Mentor! SBC was initially the project that accompanied Rebecca's involvement in the Leadership Certificate Program (LCP) through the County of Santa Barbara's Human Resources Department. The LCP cohort successfully formed a Mentorship Committee at the conclusion of the project and launched Mentor! SBC on May 23rd, 2024 with 8 mentor pairs across several departments.

Member Services:

Member Services processed 10 retirements and 1 continuance for the June 1, 2024 benefit payment.

Current Member Services projects include:

- Preparing for the upcoming Open Enrollment season for 2025 Health Insurance.
- Preparing for our next Departmental Payroll Administrator Ambassador training, a simulated retirement counseling with a variety of scenarios and their impacts explained.
- Processing a large number of bank routing changes for over 400 retirees due to the US Bank purchase of Union Bank.
- 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 been focusing on preparing for the fiscal year end audit and the preparation of the System's financial statements. Fiscal year end is a coordinated effort to compile financial data, post transactions into the proper accounting period, reconcile those

transactions, and ultimately roll them up into the System's financial statements. Accounting provided the FY 24-25 employer retirement contribution rates to the Board of Supervisors (BOS) for approval, which were approved during the June 4th BOS meeting as part of the Consent Agenda. The BOS had no questions. Accounting has assisted in reviewing some of SBCERS' existing operational processes and has either implemented or is in the early stages of implementing process improvement. Lastly, Accounting applied the changes to the Administrative Budget and Position Allocation, as recommended by the Board of Retirement.

Information Technology:

The team has been performing a life cycle refresh of various users' laptops, replacing old devices with new ones. Additionally, they have collaborated closely with accounting staff to finalize IT budget items for the 2024-25 fiscal year and conduct a comprehensive inventory of all contracts and subscriptions.

Furthermore, the team is concluding the annual review of user access across all applications and finalizing the IT Strategic Plan outlining our initiatives and projects for the next 2-3 years. They are also actively deploying multiple internal SharePoint sites across different divisions.

The IT division continues its commitment to enhancing SBCERS's security posture by implementing key recommendations from our security assessment. These endeavors are critical in fortifying our defenses and safeguarding the integrity and stability of our operational environment.

Trustee Education as of June 2024:

Trustee	2023 Cost	2023 Hours	2024 Cost	2024 Hours	Total Cost	Total Hours
Frederick Tan	\$0.00	3.5	\$1,196.86	18.0	\$1,196.86	21.5
Harry E. Hagen	\$687.12	19.8	\$370.00	35.0	\$1,057.12	54.8
Zandra Cholmondeley	\$5,379.20	86.3	\$2,928.52	53.0	\$8,307.72	139.3
Michael Vidal	\$4,954.32	69.5	\$2,021.03	38.5	\$6,975.35	108.0
Gary Blair	\$2,266.09	42.1	\$162.81	20.0	\$2,428.90	62.1
Steve Lavagnino	\$1,997.54	41.8	\$120.00	19.0	\$2,117.54	60.8
Michael Daly	\$5,097.44	39.1	\$120.00	19.0	\$5,217.44	58.1
Paul Uhl	\$6,519.00	93.1	\$1,196.86	17.8	\$7,715.86	110.8
Laurie Lee	\$7,297.37	94.3	\$1,309.79	19.0	\$8,607.16	113.3
Robert Bianchi			\$120.00	27.5	\$120.00	27.5
Dustin Dodgin			\$120.00	25.8	\$120.00	25.8
Grand Total	\$34,198.08	489.48	\$9,665.87	292.5	\$43,863.95	781.98

Looking forward to the August 28, 2024 Regular Meeting:

There is no meeting in July 2024. The August 28, 2024 meeting will include AB 2833 fee disclosure reports, quarterly reports on public markets, private equity, private real return, and private real estate, and approval of the 2025 Board of Retirement regular meeting schedule. The Board will also receive education on private credit from Angelo Gordon.

Quiet Period Notice:

Quiet Period Type	Affected Parties
Watch List	Artisan

Action Items

No Action Items

Attachments:

- Member Services Statistics for May 2024
- Robin Hill Road Financials
- Trustee Education Report