

SBCERS

Santa Barbara County Employees' Retirement System

DATE: October 23, 2024
TO: SBCERS Board of Retirement
FROM: Greg Levin, CEO
RE: Operations Report

Recommended Action:

That the Board of Retirement

1. Receive and file the Operations Report,
2. Appoint a voting proxy and an alternate for the SACRS business meeting to be held November 15, 2024 and,
3. Direct the voting proxy to vote yes on the legislative proposal distributed by the SACRS Legislative Committee on October 1, 2024 and,
4. Direct the voting proxy to abstain from voting on all other items due to the lack of meeting materials provided in advance for Board of Retirement review or,
5. Direct the voting proxy to abstain from voting on all items due to the lack of meeting materials provided in advance for Board of Retirement review.

Informational Items

- 7 new retirees and 4 continuances were placed on payroll in September 2024 for the October 1, 2024 payroll.

Staffing:

- Pilar Cruz joined the Disability Team as Legal Office Professional II on October 14, 2024. She brings previous County experience from the Social Services department.
- Taylor Weinstein and Alexandra Weissman began internships with SBCERS in October 2024.

Administration:

The Administrative team supported the Accounting division in execution of the Annual Comprehensive Financial Report this month. Additionally, time was spent assisting the Member Services team with the annual open enrollment process for retiree health insurance. The CEO attended the CALAPRS administrators institute this month and learned about ethical leadership and performance management as a leadership practice.

Due to limited docket items, the November 20, 2024 Board of Retirement meeting is cancelled.

Robin Hill Road:

Construction continues with steel stud framing nearly complete and plumbing and electrical work in progress. Long lead time items such as HVAC equipment have been ordered. Lease negotiations are underway with prospective tenants.

We have temporarily slowed certain aspects of construction, such as framing and drywall work, due to interest from a potential tenant that may have modification to the existing design layout. However, electrical and plumbing work are proceeding as planned. Long lead-time items, including HVAC and lighting equipment, have been ordered.

Investments:

The Investment Team has coordinated the transition of Public Real Assets from Cohen & Steers, Nuveen, and Mellon TIPS to State Street Global Advisors (SSgA) Real Asset Strategy. Investment Counsel and the Investment Team finalized contract negotiations with SSgA. The Investment Team will facilitate the multi-step transition, expected to conclude in late October.

In coordination with RVK, the Investment Team has completed the due diligence questionnaire for the Invitation to Bid (ITB) for Futures Overlay Strategy managers. Pending the Board of Retirement’s approval, the Invitation to Bid will be sent to:

- Parametric Portfolio Associates, LLC
- Russell Investments
- State Street Global Advisors
- NISA Investment Advisors, LLC

The Invitation to Bid is set to launch October 28, 2024, with the finalist presenting to the Board of Retirement at the January 22, 2025 meeting.

Member Services:

Member Services processed 7 new retirees and 4 continuances for the October 1, 2024 payroll.

The team is hosted and participated in Open Enrollment events throughout the County, including SBCERS Open Enrollment Health Fairs in Santa Maria on October 16 and Goleta on October 17, as well as Active Employee Health Fairs at the Lompoc, Santa Maria, and Santa Barbara Superior Courts, and the Firefighter Open Enrollment event. Our Virtual Health Fair launches on October 21st, and our video for the County Active Employee Open Enrollment Virtual Health Fair has enjoyed high viewership.

The team bid Department Business Specialist Cindy Menegon a fond farewell on the occasion of October 11, 2024 retirement.

Current Member Services projects include:

- Service Purchase calculations: the team, especially Sandra Casillas-Campos, has continued making excellent progress processing a high number of outstanding service purchase calculation requests.
- Brown Armstrong and Cheiron audit work: the team has compiled and submitted preliminary data to fulfill audit data requests, and is now processing follow up requests for data.

Accounting:

The Accounting Division has closed out final field work of the June 30, 2024 fiscal year end audit with SBCERS' external auditors, Brown Armstrong, as of Friday, October 11. Accounting is now in the final stages of compiling the Annual Comprehensive Financial Report (ACFR) and is on track for timely completion. The ACFR will be presented to the full Board of Retirement at the December 11, 2024 meeting. Other Accounting projects that are taking place include preparing for the capitalization of the 130 Robin Hill Road property, discussing OPEB balances with certain participating employers, and collaborating with Member Services on processes such buy backs and required minimum distributions.

Information Technology:

The Information Technology division has successfully upgraded our Adobe licensing to an enterprise level and enabled Single Sign-On (SSO) for streamlined access. We have also initiated the deployment of Data Loss Prevention (DLP) to identify and safeguard Personally Identifiable Information (PII) within our environment, alongside configuring monitoring for risky data-sharing practices.

The final design for the Network Upgrade Project has been completed, and the necessary hardware and software have been ordered. The upgrade is scheduled to take place in November.

We have also completed an in-depth vendor security assessment for LRS services, yielding positive results.

The selection process for an SBCERS file and data-sharing portal for plan sponsors and participating employers has concluded with the choice of ShareFile. Testing and implementation are now underway.

Looking forward to the December 11, 2024 Regular Meeting:

At the December 11, 2024 Board of Retirement meeting, the Board will consider adoption of the June 30, 2024 Actuarial Valuation prepared by Cheiron and receive quarterly reports from RVK, Inc. and Hamilton Lane. The Board will also be taking a professional group photo and offering individual headshots.

Quiet Period Notice:

Quiet Period Type	Affected Parties
Watch List	Artisan

Action Items

The SACRS Business Meeting agenda package was not provided by the SACRS Executive Director prior to our normal docket deadline; thus, no analysis is provided. Attached to this Board Letter are materials distributed directly by the SACRS Legislative Committee concerning proposed legislation. Staff is generally supportive of this legislative revision which seeks to clarify the calculation of a three-year final average salary in instances when a member does not work a full 36 months during the period and also clarifies that when a position is converted from general to safety, that the general service prior to conversion does not convert to safety service. Assuming, that the materials proposed for vote are consistent with those distributed earlier this month by the Legislative Committee, staff recommends supporting the legislation. For all other items, Staff recommends that the Board abstain from voting.

Attachments:

- Member Services Statistics for September 2024
- Robin Hill Road Financials
- SACRS 2025 Legislative Proposal – Draft Language