



Santa Barbara County Employees' Retirement System

DATE: March 22, 2023

Agenda Item # 9

TO: SBCERS BOARD OF RETIREMENT

FROM: Gregory Levin, CPA 

RE: **Operations Report**

Recommended Action:

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

Information Items

26 new retirees and 1 continuance were put on payroll during February 2023 for the March 1, 2023 payroll.

Staffing:

- Chris George was promoted to the position of Financial Accounting Analyst.
- Jiang “James” Hu has accepted the position of Accountant 1 on the Investments team and will begin work on April 3, 2023.

Administration:

In February the Administration team continued to work on Robin Hill Road, completing the A/V installation. A broker’s tour was held for the property, as well as showings for individual prospective tenants. Interviews of potential SBCERS employees were conducted. The administrative team supported the work of the Operations Committee and the RHR Ad Hoc committee which resulted in several items being considered by the Board agenda. Finally, Dani Couture presented a review of the SBCERS electronic trustee elections process at the 2023 CALAPRS General Assembly this month.

Investments:

The Investment Team completed several tasks related to the transition of the Discretionary Private Real Estate portfolio. The official 30-day termination notice was sent to ORG concluding the relationship as of March 31, 2023. Notice letters to all the General Partners (GP) in the Discretionary Real Estate portfolio to notify them of the transition of consultants to that portfolio. This allows the GPs enough time to operationally adjust to the change in

consultant and serves to notice them of the termination of ORGs discretionary authority. Hamilton Lane also worked with the investment team to ensure all GPs acknowledged the notice and implement the transition. Finally, the Investment Manager Agreement with Hamilton Lane for the Discretionary Real Estate portfolio has been executed.

In addition to the work being done to transition consultants on the Discretionary Private Real Estate Portfolio, the Investment Team continued to work with BlackRock to transition assets from First Eagle to PanAgora and Artisan. This reallocation of approximately \$100 Million in equity assets, held in a separate account, was approved by the Board at its December 22, 2022 meeting. Over 95% of transition and trading occurred on day 1 of the transition, March 9th, 2023. The residual of the portfolio will be transitioned over several days to avoid market impact. This was expected by and communicated clearly by BlackRock during the transition process. The Investment Team hopes to bring a full transition report at the April Board meeting.

Member Services:

Member Services completed processing 26 retirements and 1 continuance for the March 1, 2023 benefit payment.

The team deployed a series of Retirement Basics videos on YouTube explaining what to expect during the retirement process, who is eligible for retirement, how your pension benefit is calculated, COLA, what service purchases are and how they impact your benefit, retiree health insurance, and what happens to your retirement account when you go through a divorce and dissolution of registered domestic partnership. Viewership has been good, with 1,270 views to date, the greatest number of views being the COLA video produced by Dani Couture, with 491 views. The team continues to meet with a record number of members planning to retire on or before April 1, 2023.

Current Member Services projects include:

Alameda Active Member Refunds: continued follow up on uncashed checks.

Active member education: participating in both New Employee Welcome and the County HalfTime Highlights Employee Training.

COLA onboarding preparations: team is scheduling staff work sessions after April 1 to initiate benefits in our pension software so that we will be able to complete setup quickly once Final Average Salaries are reported.

Beneficiary designations:

- Partnering with Departmental Payroll Administrators and deploying a membership communication to update beneficiaries.
- Using death reporting services to identify deceased nominated beneficiaries and communicating with impacted members to update beneficiaries.

Accounting:

Accounting produced and mailed 6,034 Member Statements the third week in March. SBCERS' membership included active, deferred, deferred non-vested, inactive, and reciprocal members. As approved by the Board of Retirement at the February 22, 2023 regular meeting, SBCERS entered into a contract with Brown Armstrong Accountancy to obtain audit services for the three fiscal years ending June 30, 2023 through June 30, 2025.

Accounting is in the process of vetting a list of Accountants provided to SBCERS by Human Resources as part of the effort to fill the Accountant I/II position recently vacated due to an internal promotion.

Information Technology:

The Information Technology team has successfully implemented Keeper password vault to the organization thus continuing to strengthen IT security with best practices.

The team is working with our pension system administrators, LRS to implement 2-factor authentication for staff internally to access our pension administration software – PensionGold. Implementation of this functionality is scheduled for the end of March. The Miller Kaplan information security assessment and reviews fieldwork has concluded, and a formal report is being developed.

Looking forward to the April 26, 2023 Regular Meeting:

At the April 26, 2023 Board meeting the Board of Retirement will consider a Private Credit Pacing plan, Asset Allocation, Reinvestment of proceeds from Angelo Gordon fund III. The afternoon of the April Board meeting will comprise of educational presentations from three of SBCERS investment managers: Angelo Gordon, Garcia Hamilton and Acadian.

Trustee Education Report as of March 14, 2023:

Trustee	2022		2023		2-Year	2-Year
	Cost	Hours	Cost	Hours	Cost	Hours
Frederick Tan	\$988.02	18.0			\$988.02	18.0
Harry E. Hagen	\$120.00	29.0			\$120.00	29.0
Zandra Cholmondeley	\$5,384.16	93.0	\$0.00	13.0	\$5,384.16	106.0
Michael Vidal	\$2,583.20	31.0	\$1,309.55	29.0	\$3,892.75	60.0
Trent Benedetti	\$2,805.39	20.0	\$0.00	1.0	\$2,805.39	21.0
Gary Blair	\$1,177.90	19.0	\$0.00	1.0	\$1,177.90	20.0
Ted Sten	\$1,203.52	19.0	\$0.00	1.0	\$1,203.52	20.0
Steve Lavagnino	\$2,400.33	33.0	\$0.00	1.0	\$2,400.33	34.0
Michael Daly	\$4,156.19	49.0	\$0.00	1.0	\$4,156.19	50.0
Paul Uhl			\$1,550.46	27.0	\$1,550.46	27.0
Laurie Lee			\$1,724.21	27.0	\$1,724.21	27.0
Grand Total	\$20,818.71	311	\$4,584.22	101	\$25,402.93	412

Quiet Period Notice:

Quiet Period Type	Affected Parties
Watch List	Panagora

Action Items

None

Attachments:

- Member Services Statistics for February 2023
- Education Report as of March 2023
- Robin Hill Road Financials