



Strength. Service. Commitment.

September 14, 2017

To: Board of Retirement

From: David B. Wescoe
Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'David B. Wescoe', written over the printed name and title.

Re: **CHIEF EXECUTIVE OFFICER'S REPORT**

BlackRock CEO Visit. Steve Sexauer and Tom Williams hosted Larry Fink, a founder and CEO of BlackRock, at our office. BlackRock is the largest investment manager in the world. Also invited and attending were investment professionals from the County's Treasurer-Tax Collector's office and the San Diego City Employees' Retirement System. Mr. Fink presented an overview of world markets and the investment industry, and his economic outlook was positive. It was a great session, and all benefited from attending.

The San Diego County Board of Supervisors (BOS) approved an additional payment to SDCERA. At its September 12, 2017 meeting, the BOS approved a policy amendment that will direct revenue generated by greater than anticipated assessed value growth used to reduce SDCERA's unfunded actuarial accrued liability. This will result in an additional contribution of \$22.5 million to SDCERA this fiscal year over and above the County's annual actuarially determined contribution owed to SDCERA, which they paid in July.

This additional payment is another example of the County's fiscal strength and stewardship. As I always remind County retirees and active employees, they are very fortunate to be Members of a great retirement system sponsored by a great employer. The County has a "Triple-A" credit rating and always pays its bills on time, including ours. Few counties in the country can match this record or the County's leadership triumvirate of BOS Chair Dianne Jacob, Chief Administrative Officer Helen Robbins-Meyer and Chief Financial Officer Tracy Sandoval.

We Continue to Add Talent. We interviewed great candidates, one to replace our recently-retired Disability Unit Manager, Jan Garner, and the other to fill our Member Service Manager vacancy. I look forward to sharing more information about the successful candidates next month.

Letters to Members. Since the inception of our review of every piece of correspondence we mail to Members, we have read, edited, improved and approved more than 110 Member letter templates. This project is important. It provides staff with a clear idea of what we are communicating, and, in writing each letter, they have a better idea of the current processes each particular letter is intended to explain. As we edit letters, questions about the content have led to many process improvements. As a result, our Members are receiving clearer, more understandable communications from us. Zoe would be proud.

CPAS. As you know, CPAS is the vendor for our PROMiS pension administration system. To ensure that our working relationship is as positive as possible, Jim Lery, Brian McKelvey and I hosted a meeting here with CPAS' two top executives. It was a productive meeting, and we discussed a number of operational topics that will improve our working processes.

On a related note, we signed a software support services agreement renewal with CPAS for Fiscal Year 2018 for \$315,000. In the FY 2018 budget, the Board approved the expenditure of \$432,900 for CPAS software support so we are under that approved amount.

Member Death Reporting. One change you may notice in the Board materials this month is that we are no longer publishing a list of deceased Members. We made this change because of complaints from the families of deceased members who view the publication of their relative's names as an invasion of privacy with the potential for abuse. Before doing so, we sought the advice of County of San Diego Deputy District Attorney Paul Greenwood, who has served for 21 years as the lead deputy district attorney of the Elder Abuse Prosecution Unit. Mr. Greenwood's advice was that we not publish the names of deceased Members. He noted,

One of the most common methods used by crooks is to scour obituary columns that name the decedent as well as any surviving spouse or siblings. I am therefore constantly urging seniors not to "advertise" a family loss through any outlet. I am of the view that such listings should be discontinued. Any time we can reduce the risk of an elder becoming a victim, then I believe we are performing a valuable service to the County residents.

Retirement Seminars. As the following feedback confirms, Jerry Fafaul and team continue to do a great job presenting seminars to Active Members considering retirement:

I attended the fabulous retirement seminar (and yes I mean it really was a great seminar!).

And another,

Thank you for a very informative and helpful retirement seminar on Aug 22nd. I am so glad that I attended. So many of my co-workers are now asking me questions, wanting to know what I learned. I've told everyone to GO to a seminar, it will be the best retirement planning they can do. Jerry Fafaul was very thorough and patient explaining everything to us. He stayed after to answer my questions. I feel much more informed and better equipped to prepare for retirement now. AND, I am very thankful to be taken care of by SDCERA. Thank you and your entire team.

Employee of the Month. Zach Sickels, our Active Benefits Unit manager, was the Employee of the Month for facilitating an organization-wide effort to improve SDCERA's communications with Members who terminate employment with the County or a participating employer. Zach brought together staff from SDCERA's Communications, Finance, Investments, and Legal teams to significantly improve the termination of employment information SDCERA provides to Active Members.

Anniversaries. September anniversaries include Stephanie Reed (29 years), Su Cheng Wang (14 years), Jim Lery (11 years) and Chantal Bsaibes (5 years).

Conclusion. Staff continues to make progress on many fronts. Every month, we are improving.