



Sacramento County
Employees' Retirement System

Annual Budget

For the Fiscal Year 2019-20

Sacramento, California

WWW.SCERS.ORG



SCERS Annual Budget

For the Fiscal Year 2019-20

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Summary of Significant Budget Changes

The SCERS 2019-20 Annual Budget of \$20,146,000 represents the financial resources needed to help us achieve our strategic priorities and initiatives for the organization. Staff effectively performed a “zero-base” budget exercise in which every line item was zeroed out, reviewed, and evaluated in order to establish a baseline funding level going forward. Staff then compared the line item against three years of historical spending and best-practice methodologies to develop 2019-20 spending levels.

There are no significant programmatic changes and requests for 2019-20. Below is a summary of the main changes from 2018-19:

- Reductions in Salaries and Benefits of \$206,000 to better reflect savings from vacant positions even with the increase in salaries due to anticipated COLA increases and step raises for certain classifications. Despite successful hiring efforts to fill vacancies, the number of filled positions remains consistent compared to the prior year due to staff retirements and staff departures.
- A reduction in non-investment Services and Supplies of \$212,000 due to the line-item review and baseline exercise.
- Effective in 2019-20, investment operations for consultant and other expenses were included in the Total Proposed Budget to improve transparency, which total \$1,960,000. This line item includes custodian fees, investment consultant fees, and third-party vendor service for the accounting and reporting of private market investments, but excludes investment manager fees and carried interest/incentive fees as these expenses are charged against investment earnings.
- Increase in Countywide Cost Allocation of \$229,000 primarily due to true-up of the County General Fund actual expenses from the prior two years.
- The Pension Administration System (PAS) budget amount was included as an informational item in the 2018-19 Final Budget. Effective in 2019-20, the PAS budget totaling \$4,395,000 was included in the Annual Budget, which represents an increase of \$1,645,000 compared to the amount presented as informational item included in the 2018-19 Final Budget. The change is due to the increase in costs as the PAS project moves to the next phase of development and implementation.

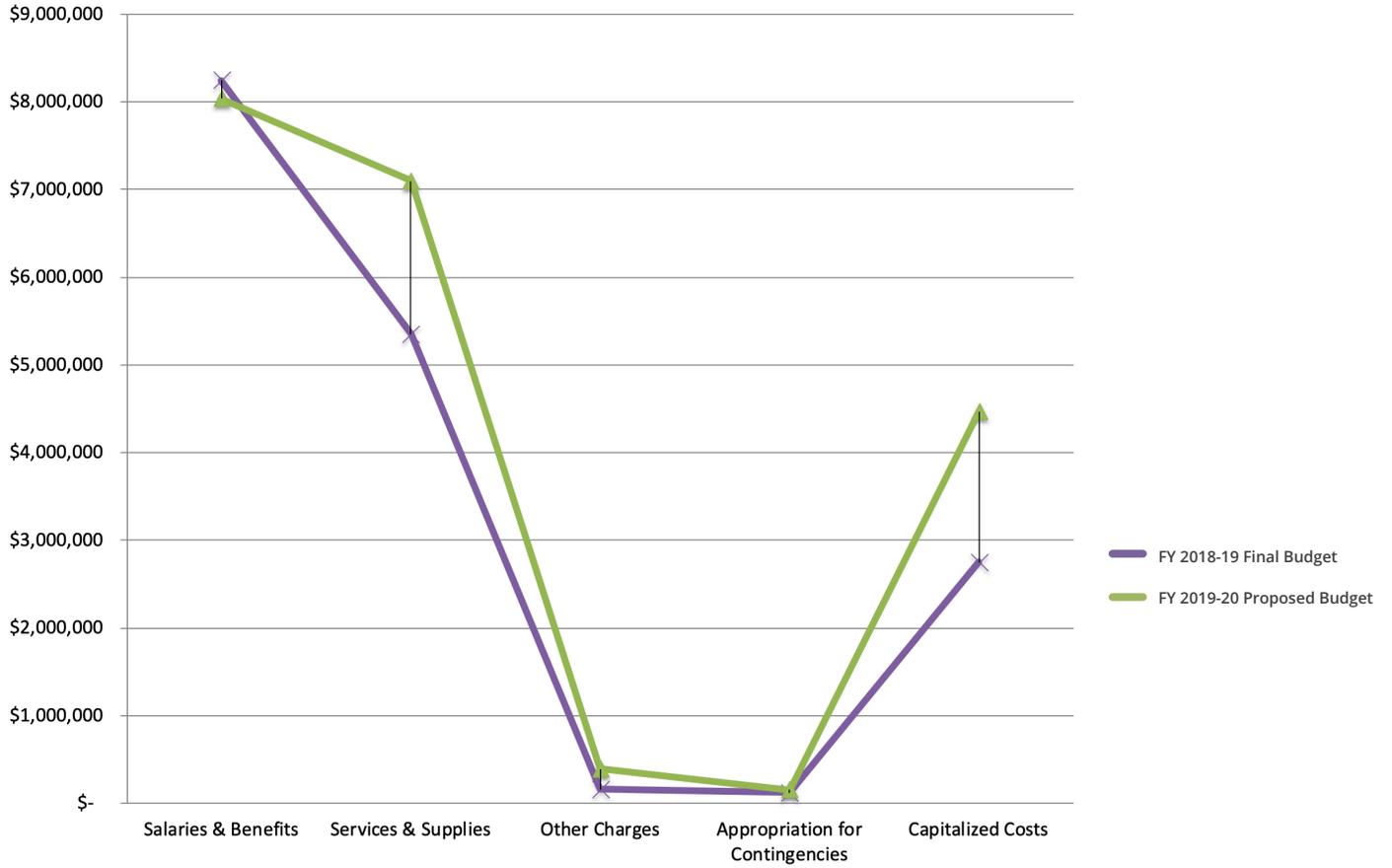
Budget Summary

(Dollar Amounts Rounded to the Nearest Thousand)

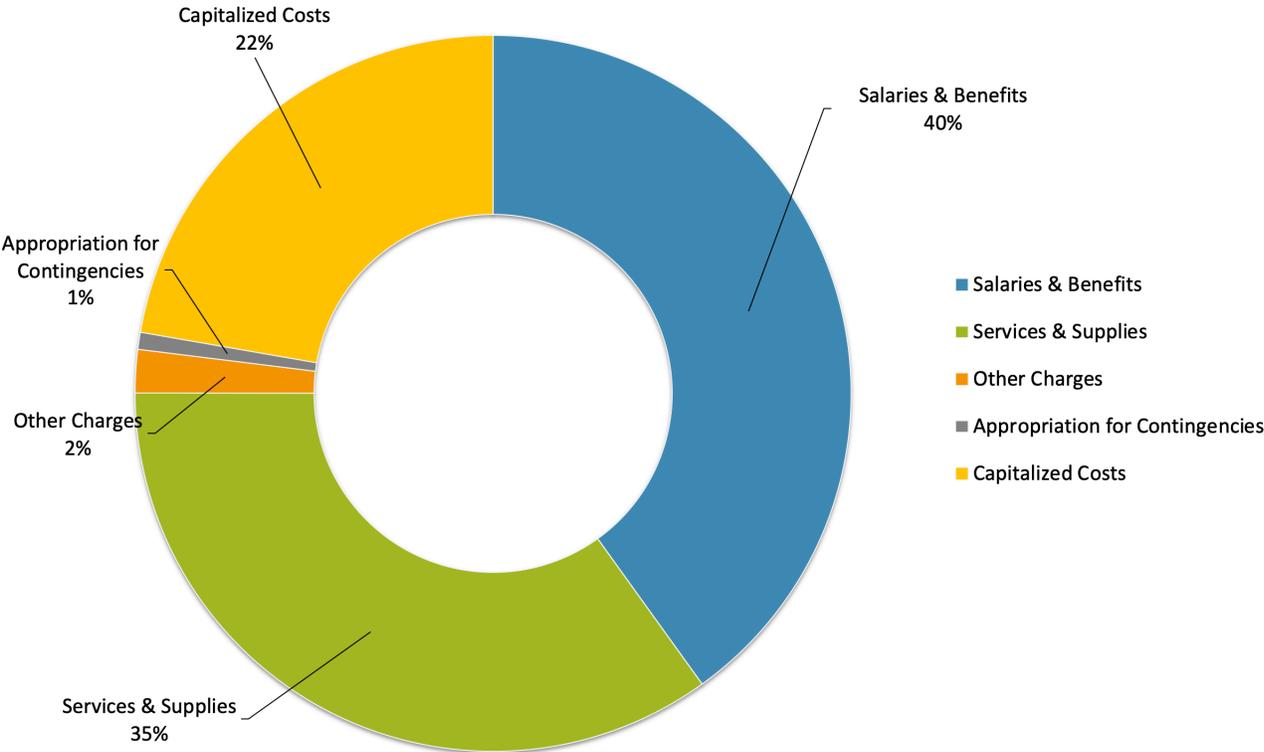
Object	FY 2017-18 Actual Expense	FY 2018-19 Final Budget	FY 2018-19 Percentage Expended as of December 31, 2018	FY 2019-20 Proposed Budget
10 - Salaries & Benefits	\$5,568,000	\$8,244,000	37%	\$8,038,000
20 - Services & Supplies	4,266,000	5,349,000	54	7,097,000
30 - Other Charges	273,000	159,000	50	391,000
70 - Appropriation for Contingencies	-	125,000	-	155,000
Object Total	10,107,000	13,877,000	44	15,681,000
Total Capitalized Costs	2,555,000	2,750,000	82	4,465,000
Grand Total	\$12,662,000	\$16,627,000	50%	\$20,146,000

Note: The proposed budget now includes items that have not been displayed in prior budget presentation.

Fiscal Year 2019-20 Proposed Budget and Fiscal Year 2018-19 Final Budget



Fiscal Year 2019-20 Proposed Budget



Budget Detail

(Dollar Amounts Rounded to the Nearest Thousand)

OBJECT	ACCOUNT TITLE	FY 2017-18 Actual Expense	FY 2018-19 Final Budget	FY 2018-19 Percentage Expended as of 12/31/2018	FY 2019-20 Proposed Budget	Increase / (Decrease) from FY 2018-19 Budget	
						Amount	Percentage
OBJECT 10 - SALARIES & BENEFITS							
10111000	Salaries & Wages-Regular Employees	\$3,466,000	\$5,183,000	38%	\$5,292,000	\$109,000	2%
10112400	Salaries & Wages-Committee Members	10,000	10,000	34	10,000	-	-
10113100	Salaries & Wages-Straight Time O/T	21,000	10,000	102	14,000	4,000	40
10113200	Salaries & Wages-Time & One Half O/T	106,000	100,000	16	84,000	(16,000)	(16)
10114100	Salaries & Wages-Premium Pay	55,000	71,000	40	75,000	4,000	6
10114300	Allowances	6,000	5,000	54	5,000	-	-
10115200	Terminal Pay	142,000	131,000	1	118,000	(13,000)	(10)
10121000	Retirement-Normal & UAAL	509,000	916,000	37	1,005,000	89,000	10
10121100	Retirement-1995/2003 POB Debt Service	273,000	308,000	50	322,000	14,000	5
10121200	Retirement-2004 POB Debt Service	135,000	148,000	50	160,000	12,000	8
10121300	Health Savings-Employer Cost	27,000	59,000	26	40,000	(19,000)	(32)
10121400	401A Plan-Employer Cost	15,000	20,000	42	23,000	3,000	15
10122000	OASDI-Employer Cost	267,000	400,000	34	388,000	(12,000)	(3)
10123000	Group Insurance-Employer Cost	517,000	862,000	35	907,000	45,000	5
10124000	WC Insurance-Employer	18,000	20,000	50	16,000	(4,000)	(20)
10125000	Unemployment Insurance-Employer Cost	1,000	1,000	73	1,000	-	-
10199900	Salary Savings Factor	-	-	N/A	(422,000)	(422,000)	N/A
OBJECT 10 TOTAL		5,568,000	8,244,000	37	8,038,000	(206,000)	(2)
OBJECT 20 - SERVICES & SUPPLIES							
20200500	Advertising/Legal Notices	2,000	3,000	87	9,000	6,000	200
20202200	Books/Periodicals Supply	-	3,000	-	-	(3,000)	(100)
20202400	Periodicals & Subscriptions	9,000	10,000	34	9,000	(1,000)	(10)
20202900	Business Conferences	58,000	105,000	21	116,000	11,000	10
20203100	Business Travel	17,000	70,000	18	13,000	(57,000)	(81)
20203500	Education & Training Services	8,000	15,000	-	7,000	(8,000)	(53)
20203700	Employee Tuition Reimbursement	-	8,000	13	-	(8,000)	(100)
20203800	Employee Recognition	19,000	15,000	40	12,000	(3,000)	(20)
20203900	Employee Transportation	-	1,000	-	-	(1,000)	(100)
20205100	Insurance-Liability	24,000	28,000	49	32,000	4,000	14
20205200	Insurance-Fiduciary Liability	108,000	108,000	50	108,000	-	-
20206100	Memberships	23,000	38,000	23	28,000	(10,000)	(26)
20207600	Office Supplies	16,000	40,000	25	14,000	(26,000)	(65)
20208100	Postage Services	7,000	12,000	24	6,000	(6,000)	(50)

(Dollar Amounts Rounded to the Nearest Thousand)

OBJECT	ACCOUNT TITLE	FY 2017-18 Actual Expense	FY 2018-19 Final Budget	FY 2018-19 Percentage Expended as of 12/31/2018	FY 2019-20 Proposed Budget	Increase / (Decrease) from FY 2018-19 Budget	
						Amount	Percentage
20208500	Printing Services	20,000	20,000	13	21,000	1,000	5
20226100	Office Equipment Maintenance Services	-	6,000	-	-	(6,000)	(100)
20226200	Office Equipment Maintenance Supplies	-	2,000	-	-	(2,000)	(100)
20226400	Office Equipment Modular Furniture	1,000	15,000	42	45,000	30,000	200
20227500	Rents/Leases-Equipment	18,000	30,000	30	18,000	(12,000)	(40)
20244300	Medical Services	255,000	350,000	43	325,000	(25,000)	(7)
20250200	Actuarial Services	311,000	260,000	38	273,000	13,000	5
20250595	Board Meetings	-	-	N/A	4,000	4,000	N/A
20250607	Investment Services/Consultants and Other	-	-	N/A	1,960,000	1,960,000	N/A
20252100	Temporary Staffing Services	48,000	40,000	89	75,000	35,000	88
20253100	Legal Services	1,216,000	1,600,000	36	1,515,000	(85,000)	(5)
20254100	Personnel Services	43,000	188,000	14	182,000	(6,000)	(3)
20254110	Labor Relations Services	5,000	8,000	50	8,000	-	-
20254400	Safety Program Services	1,000	1,000	64	1,000	-	-
20256100	Reporting Services	203,000	200,000	37	200,000	-	-
20256200	Transcribing Services	15,000	30,000	10	20,000	(10,000)	(33)
20259100	Other Professional Services	230,000	200,000	55	237,000	37,000	19
20259101	Information Technology Services	171,000	350,000	24	330,000	(20,000)	(6)
20281200	Data Processing Supplies	49,000	60,000	41	50,000	(10,000)	(17)
20281302	County Payroll	2,320	2,586	50	3,000	414	16
20281303	County Payment Services	13,700	3,446	50	4,000	554	16
20281305	Audits	-	2,174	50	2,000	(174)	(8)
20281700	Election Services	-	60,000	38	30,000	(30,000)	(50)
20283200	Interpreter Services	-	1,000	-	1,000	-	-
20291000	Countywide IT Services	41,000	47,000	50	43,000	(4,000)	(9)
20291100	Systems Development Services	182,000	201,000	47	207,000	6,000	3
20291200	Systems Development Supplies	37,000	36,000	66	47,000	11,000	31
20291300	Department of Finance Services	191,980	241,794	42	220,000	(21,794)	(9)
20291600	Wide Area Network	37,000	43,000	50	58,000	15,000	35
20291700	Alarm Services	1,000	1,000	49	1,000	-	-
20292100	GS-Printing Services	45,000	40,000	23	29,000	(11,000)	(28)
20292200	GS-Mail/Postage Charges	130,000	150,000	38	128,000	(22,000)	(15)
20292300	GS-Messenger Services	4,000	4,000	46	4,000	-	-
20292500	GS-Purchasing Services	2,000	2,000	42	2,000	-	-
20292700	GS-Warehousing Charges	1,000	2,000	35	1,000	(1,000)	(50)
20292800	GS-Co Equipment Rental-Light Vehicles	-	3,000	-	-	(3,000)	(100)
20294200	County Facility Use Charges	3,000	3,000	48	3,000	-	-
20294300	Leased Property Use Charges	655,000	647,000	47	660,000	13,000	2

(Dollar Amounts Rounded to the Nearest Thousand)

OBJECT	ACCOUNT TITLE	FY 2017-18 Actual Expense	FY 2018-19 Final Budget	FY 2018-19 Percentage Expended as of 12/31/2018	FY 2019-20 Proposed Budget	Increase / (Decrease) from FY 2018-19 Budget	
						Amount	Percentage
20296200	Parking	19,000	18,000	30	18,000	-	-
20298300	GS-Surplus Property Management	2,000	2,000	48	2,000	-	-
20298700	Telephone Usage	22,000	22,000	50	15,000	(7,000)	(32)
20298900	Telephone Installation	-	1,000	175	1,000	-	-
OBJECT 20 TOTAL		4,266,000	5,349,000	54	7,097,000	1,748,000	33
OBJECT 30 - OTHER CHARGES							
30332000	Depreciation Expense	33,000	33,000	50	36,000	3,000	9
30348000	Countywide Cost Allocation	240,000	126,000	50	355,000	229,000	182
OBJECT 30 TOTAL		273,000	159,000	50	391,000	232,000	146
OBJECT 70 - CONTINGENCIES							
70790100	Appropriation For Contingencies	-	125,000	-	155,000	30,000	24
OBJECT 70 TOTAL		-	125,000	-	155,000	30,000	24
OBJECT TOTAL		10,107,000	13,877,000	44	15,681,000	1,804,000	13
CAPITALIZED COSTS							
	Building Improvements	-	-	N/A	70,000	70,000	N/A
	Pension Administration System	2,555,000	2,750,000	82	4,395,000	1,645,000	60
TOTAL CAPITALIZED COSTS		2,555,000	2,750,000	82	4,465,000	1,715,000	62
GRAND TOTAL		\$12,662,000	\$16,627,000	50%	\$20,146,000	\$3,519,000	21%

NA - None in the prior fiscal year.

Note: The proposed budget now includes items that have not been displayed in prior budget presentation.

Summary of Positions

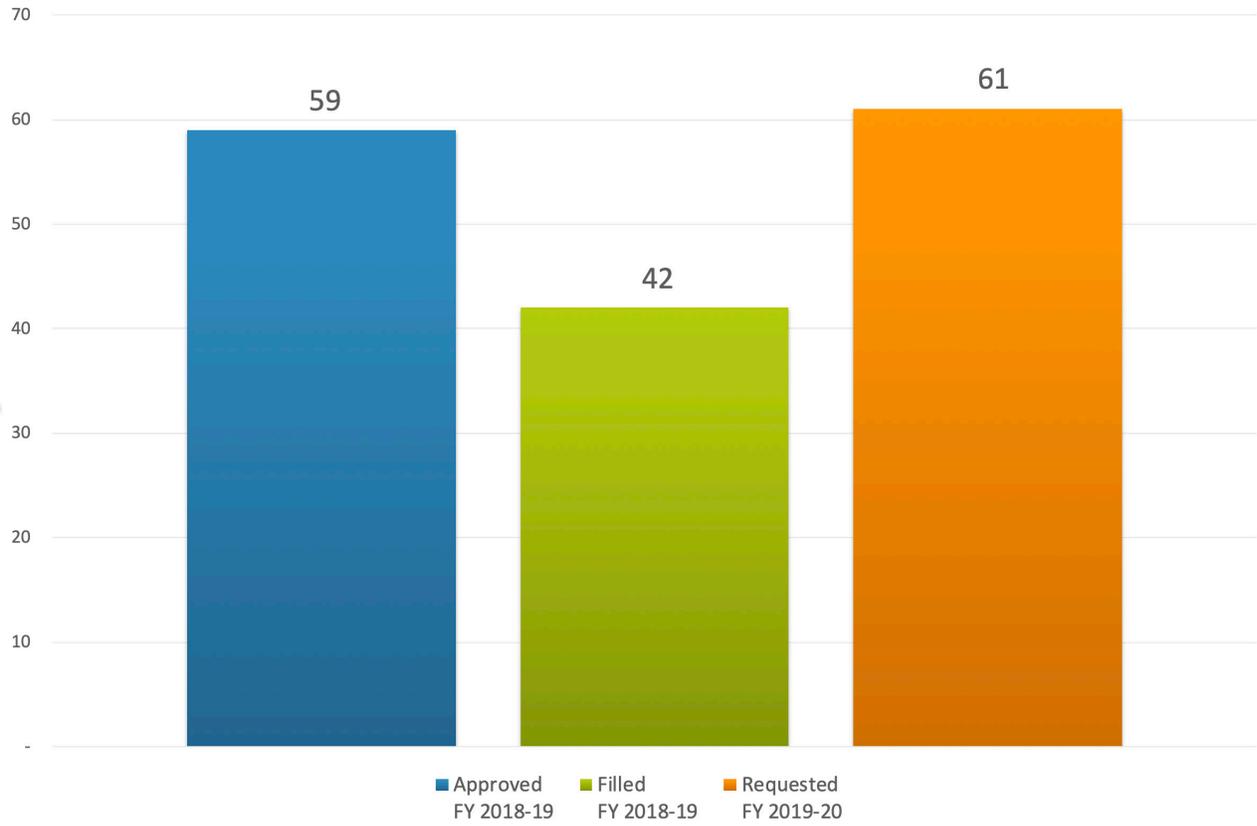
Class Code	Position Title	Requested FY 2018-19	Approved FY 2018-19	Filled FY 2018-19 (*)	Requested FY 2019-20
27548	Accountant	2	2	2	2
27560	Accounting Manager	2	2	2	2
27610	Accounting Technician	1	1	1	1
27603	Administrative Services Officer I	1	1	-	-
27604	Administrative Services Officer II	1	1	1	1
29089	Assistant Retirement Administrator - Chief Benefits Officer	1	1	1	1
29090	Assistant Retirement Administrator - Chief Operations Officer	1	1	1	1
29581	Assistant Retirement Administrator - Chief Strategy Officer	1	1	1	1
29448	Assistant Retirement Administrator - Deputy Chief Investment Officer	1	1	1	1
27736	Chief Investment Officer - Retirement	1	1	1	1
29018	Communication and Media Officer II	-	-	-	1
27953	Executive Secretary	1	1	1	1
27517	Information Technology Analyst II	1	1	-	1
28206	Office Assistant II	1	1	1	1
28215	Office Specialist II	4	4	2	4
28232	Paralegal	1	1	1	1
28944	Personnel Specialist II	1	1	1	1
28318	Retirement Administrator - Chief Executive Officer	1	1	1	1
29488	Retirement Benefits Specialist I	5	5	3	5
29489	Retirement Benefits Specialist II	6	6	4	7
28927	Retirement Disability Specialist	2	2	-	-
29215	Retirement General Counsel	1	1	-	1
29404	Retirement Investment Officer	2	2	2	2
29274	Retirement Services Analyst	3	3	3	4
29031	Retirement Services Manager	2	2	-	1
29032	Retirement Services Supervisor	4	4	3	4
27541	Senior Account Clerk	1	1	1	1
27545	Senior Accountant	2	2	1	2
27564	Senior Accounting Manager	1	1	1	1
27516	Senior Information Technology Analyst	1	1	1	1
28203	Senior Office Assistant	1	1	1	1
29490	Senior Retirement Benefits Specialist	6	6	4	7
TBD	Senior Retirement Investment Officer (**)	2	-	-	2
Total		61	59	42	61

Note: SCERS' proposed head count is 61, which does not include the Senior Personnel Analyst (SPA). The SPA position is contracted through the County Department of Personnel Services.

(*) Fiscal year 2018-19 filled positions are presented as of March 31, 2019.

(**) A class study is underway for the Senior Retirement Investment Officer position.

Summary of Positions



Summary of Conferences

(Dollar Amounts Rounded to the Nearest Thousand)

Date	Conference	Attendee(s)	Total Budget Amount
July-2019	SACRS Public Pension Investment Management Program	Board Members and/or Management Staff	\$11,000
July-2019	The Pension Bridge - Private Equity Exclusive	Chief Investment Officer	2,000
August-2019	CALAPRS Principles for Pension Management for Trustees	Board Members	7,000
September-2019	New York Due Diligence	Investment Staff	6,000
September-2019	CALAPRS Accountants' Round Table	Management Staff and Staff Members	1,000
September-2019	CALAPRS Benefits Round Table	Management Staff and Staff Members	1,000
September-2019	CALAPRS Attorneys' Round Table	General Counsel	1,000
September-2019	CALAPRS Administrators' Institute	Chief Executive Officer	1,000
October-2019	Global ARC Conference	Chief Investment Officer	2,000
October-2019	Public Pension Financial Forum	Senior Accounting Manager and Accounting Manager	4,000
October-2019	CALAPRS Information Technology Round Table	Senior Information Technology Analyst and IT Analyst	1,000
October-2019	CALAPRS Trustees' Round Table	Board Members	1,000
October-2019	IPMA-HR	Senior Personnel Analyst	2,000
November-2019	SACRS Fall Conference	Management Staff and Board Members	12,000
November-2019	CALPELRA	Senior Personnel Analyst	2,000
December-2019	Markets Group Conference	Investment Staff	1,000
January-2020	Institutional Investor: Risk and Liquidity Forum	Investment Staff	1,000
January-2020	CALAPRS Administrators' Round Table	Chief Executive Officer	1,000
January-2020	CALAPRS Advanced Principles of Pension Management	Board Member	3,000
February-2020	Institutional Investor: Real Assets Forum	Investment Staff	1,000
February-2020	CALAPRS Trustees' Round Table	Board Members	1,000
February-2020	NAPPA 2018 Winter Seminar	General Counsel	1,000
March-2020	ALTSLA	Investment Staff	1,000
March-2020	CALAPRS General Assembly	Management Staff and Board Members	3,000
April-2020	The Pension Bridge Annual	Board Member or Executive Staff	1,000
April-2020	Institutional Investor: Public Funds Forum	Investment Staff	1,000
April-2020	CALAPRS Accountants' Round Table	Management Staff and Staff Members	1,000
April-2020	CALAPRS Information Technology Round Table	Senior Information Technology Analyst and IT Analyst	1,000
April-2020	Public Retirement Information Systems Management Conference (PRISM)	Chief Strategy Officer, Senior Information Technology Analyst and Information Technology Analyst	4,000
May-2020	Milken Institute Global Conference	Investment Staff	1,000
May-2020	CEM Conference	Chief Executive Officer and Management Staff	4,000
May-2020	SACRS Spring Conference	Management Staff and Board Members	10,000
May-2020	GFOA Conference	Senior Accounting Manager and Accounting Managers	5,000
May-2020	CALAPRS Staff Overview Training	Management Staff	4,000
June-2020	Institutional Limited Partnership Association Conference	General Counsel and Chief Investment Officer	4,000
June-2020	CALAPRS Benefits Round Table	Management Staff and Staff Member	1,000
June-2020	CALAPRS Administrators' Round Table	Chief Executive Officer	1,000
June-2020	NAPPA Legal Education Conference	Chief Executive Officer and General Counsel	4,000
TBD	Silicon Valley/Sand Hill Due Diligence	Investment Staff	1,000
TBD	Cliffwater/Manager Due Diligence	Investment Staff	1,000
TBD	H.I.G Capital Partners VI, L.P. Due Diligence	Investment Staff	1,000
TBD	Manager Annual Meeting - TBD	Investment Staff	1,000
TBD	Manager Annual Meeting - TBD	Investment Staff	1,000
TBD	Manager Annual Meeting - TBD	Investment Staff	1,000
TBD	Manager Annual Meeting - TBD	Investment Staff	1,000
Total			\$116,000

Administrative Expense Annual Budget Limit

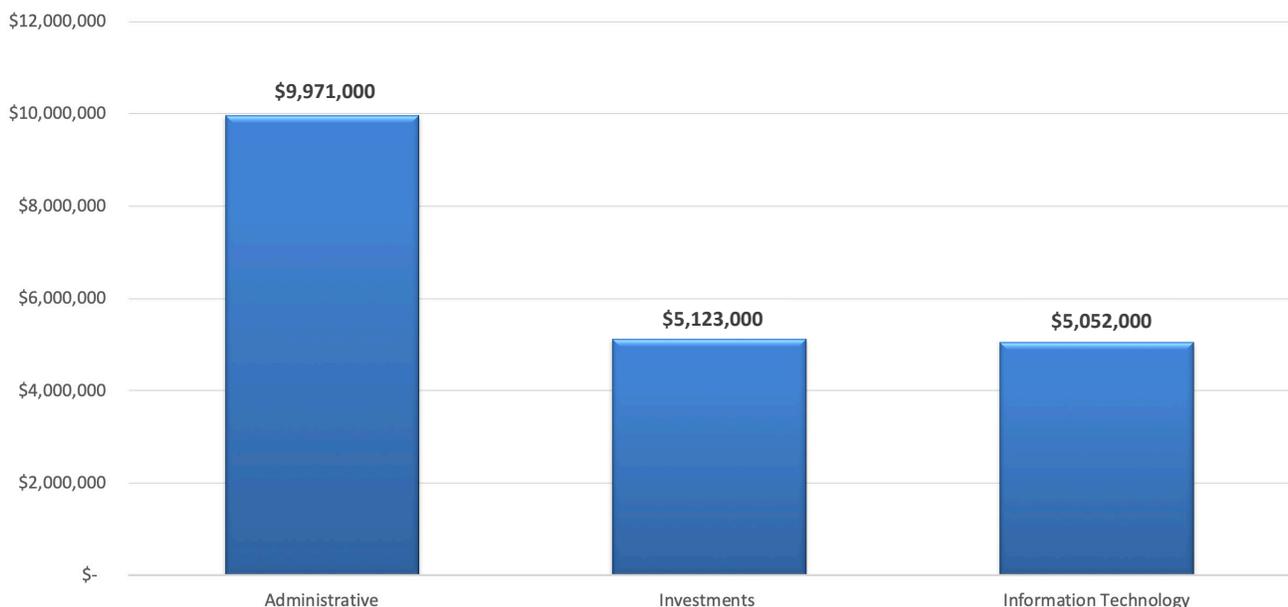
(Dollar Amounts Rounded to the Nearest Thousand)

Annual Budget Limit for Administrative Expenses (Pursuant to Government Code Sections 31580.2 and 31596.1)

Below is the calculation of SCERS' annual administrative expense budget limit pursuant to Government Code Sections 31580.2 and 31596.1:

	Fiscal Year 2018-19		Fiscal Year 2019-20	
Total Budget		\$13,877,000		\$20,146,000
Less: Investments Related Costs		(4,494,000)		(5,123,000)
Computer Software/Hardware and Computer Technology Consulting Services Costs		(1,201,000)		(5,052,000)
Administrative Expenses Budget		\$8,182,000		\$9,971,000
Total Actuarial Accrued Liability as of June 30, 2017 and June 30, 2018, respectively		\$10,680,998,000		\$11,213,263,000
Administrative Expenses Budget Limit at Twenty-one Hundredths of One Percent	0.21%	\$22,430,000	0.21%	\$23,548,000
Administrative Expenses Budget	0.08%	8,182,000	0.09%	9,971,000
Budget Limit in Excess of Administrative Expenses	0.13%	\$14,248,000	0.12%	\$13,577,000

Fiscal Year 2019-20 Budget Limit Summary



Glossary

OBJECT

ACCOUNT TITLE & DESCRIPTION

10111000

Salaries & Wages-Regular Employees

This line item is comprised of regular salaries and wages for SCERS personnel. We used the fiscal year 2019-20 Personnel Budget Report (PBR) provided by County of Sacramento (County) as the basis, and updated to incorporate anticipated staffing changes in fiscal year 2019-20. The PBR is based on data extracted from the human resources module of **Comprehensive Online Management Personnel and Accounting System for Sacramento County (COMPASS)** for pay period 25 ended in December 2018, which includes a 2.85% cost-of-living adjustment (COLA) for most employees, with the exception of some employees in specified representative units who will receive a 3% COLA.

The budgeting for step increases is based on average rather than the actual anniversary dates at which the step increases are typically effective. For employees who are currently at the next-to-top step are budgeted for a 3.0 percent increase. For employees who are currently at the lower steps are budgeted for a 6.0 percent increase. These are average figures and are not based on the actual dates when step increases will be effective in the budget year. Vacant positions are budgeted at the lowest step. Exempt positions are budgeted based on anticipated step increases.

10112400

Salaries & Wages-Committee Members

Salaries and wages for Board members who are not County employees to attend regular and special Board meetings, amounts are comprised of twelve regular and four special meetings at the rate of \$100 per meeting.

10113100

Salaries & Wages-Straight Time O/T

Certain job classifications are paid straight time, and others job classification are paid time and one half for overtime hours worked as prescribed by the labor agreements. Also as prescribed by the labor agreements, employees have the option to select monetary compensation or bank the overtime hours worked. This line item represents straight time payment for overtime hours worked in anticipation of operational needs, leaves of absence, and temporarily vacant positions.

10113200

Salaries & Wages-Time & One Half O/T

This line item represents time and one half payments for overtime hours worked in anticipation of operational needs, leaves of absence, and temporarily vacant positions. As prescribed by the labor agreements, employees have the option to select monetary compensation or bank the overtime hours worked.

10114100

Salaries & Wages-Premium Pay

Salaries and wages for pay differential based on a 3.35% of base pay for management positions, 5% pay differential for employees who perform out of class duties due to vacant positions, and 2.5% to 5% educational incentive for qualified employees in specified positions.

OBJECT	ACCOUNT TITLE & DESCRIPTION
10114300	<p>Allowances</p> <p>This line item is comprised of car allowance provided to the Chief Executive Officer.</p>
10115200	<p>Terminal Pay</p> <p>This line item represents anticipated payments for accrued leave balances and for one-half of sick leave balances upon retirement for management employees.</p>
10121000	<p>Retirement-Normal & UAAL</p> <p>This represents the employer's share of pension cost, which includes normal cost and unfunded actuarial accrued liability (UAAL) contributions for SCERS employees based on actuarially determined employer contribution rates.</p>
10121100	<p>Retirement-1995/2003 POB Debt Service</p> <p>This is a County allocated cost to SCERS, which pertains to the principal and interest payments of the 1995/2003 Pension Obligation Bond (POB). Costs are allocated based on SCERS' total salaries.</p>
10121200	<p>Retirement-2004 POB Debt Service</p> <p>This is a County allocated cost to SCERS, which pertains to the principal and interest payments of the 2004 POB. Costs are allocated based on SCERS' total salaries.</p>
10121300	<p>Health Savings-Employer Cost</p> <p>This account represents Retirement Health Savings Plan (RHSP) for eligible SCERS employees. The RHSP provides tax-free savings during employment for payment of premiums and other qualified post-employment medical expenses at retirement. SCERS contributes \$25 per pay period for each eligible employee.</p>
10121400	<p>401A Plan-Employer Cost</p> <p>This is the IRC 401(a) Retirement Savings Deferred Compensation Plan for management employees. When the employee participates in the County's IRC 457(b) Deferred Compensation Plan, SCERS provides a match of up to 1% of the employee's salary including premium pay and auto allowance.</p>
10122000	<p>OASDI-Employer Cost</p> <p>This represents the employer's mandated Social Security and Medicare Tax payments.</p>
10123000	<p>Group Insurance-Employer Cost</p> <p>This account represents the employees' health and dental insurance premiums paid by SCERS, which was based on actual premium payments through pay period 25 ended December of the prior calendar year as presented in the County's Personnel Budget Report and updated to incorporate anticipated staffing changes in the upcoming fiscal year.</p>

OBJECT	ACCOUNT TITLE & DESCRIPTION
10124000	Workers Compensation Insurance-Employer Cost The County is self-insured for Workers' Compensation Insurance claims. The County also purchases excess Workers' Compensation Insurance to cover claims above a self-insured retention of \$3.0 million. This is a County allocated cost for Workers' Compensation Insurance claims payments and administration. The costs are allocated to County departments based on 70 percent five-year claims history and 30 percent estimated risk calculated by weighted payroll.
10125000	Unemployment Insurance-Employer Cost The County is self-insured for all Unemployment Insurance claims. This line item is a County allocated cost for the administration of unemployment insurance claims. The costs are allocated to SCERS based on 90 percent five-year claims history and ten percent total full-time equivalent (FTE) positions.
10199900	Salary Savings Factor This line item represents salaries and benefits for vacant positions that may not be filled for the entire upcoming fiscal year and is reflected as a reduction to salaries and benefits.
20200500	Advertising/Legal Notices Expenses comprised of publicizing public hearings, legal notices, employment announcements, and solicitations for professional consultants and service providers.
20202200	Books/Periodicals Supply Expenses comprised of publications for the Retirement Board and staff, including law books and updates affecting County Employees' Retirement Law of 1937, booklets and pamphlets, accounting pronouncements, and other professional literature.
20202400	Periodicals & Subscriptions Expenses for subscriptions, including ALM Recorder, Barrons, RIA Pension and Benefits Advisor, Sacramento Bee, the Wall Street Journal, and Westlaw.
20202900	Business Conferences Expenses comprised of educational seminars, conferences, and meetings attended by Board members and staff, including hotel, transportation, meals, and other travel costs.
20203100	Business Travel Expenses comprised of transportation, meals, tolls, and parking, which are not included in the Business Conferences line item (account 20202900).
20203500	Education & Training Services This line item pertains to registration for seminars, workshops, and other training courses for SCERS staff directly related to their job duties.



OBJECT	ACCOUNT TITLE & DESCRIPTION
20203700	<p>Employee Tuition Reimbursement</p> <p>Employee tuition reimbursement, payment ranges from \$1,200 to \$1,500 per employee depending on the employee's bargaining unit and labor agreement.</p>
20203800	<p>Employee Recognition</p> <p>Expenses comprised of water and coffee supplies for staff, refreshments for staff meetings, and other employee recognition items.</p>
20203900	<p>Employee Transportation</p> <p>Mileage reimbursement for staff and Board members when they use personal vehicles for SCERS business.</p>
20205100	<p>Insurance-Liability</p> <p>The County is self-insured for liability insurance claims. The County also purchases excess liability insurance to cover claims above a self-insured retention of \$2.0 million. The County also utilizes pooled and group insurance purchasing programs for certain coverages including property, boiler and machinery, aircraft, airport operations and pollution liability. This line item is a County allocated cost for the liability insurance program. Costs are allocated to SCERS based on 70 percent seven-year claims history and 30 percent total FTE positions.</p>
20205200	<p>Insurance-Fiduciary Liability</p> <p>This represents SCERS' annual fiduciary insurance policy cost.</p>
20206100	<p>Memberships</p> <p>Annual membership dues for professional associations such as State Association of County Retirement Systems (SACRS), California Association of Public Employees Retirement Systems (CALAPRS), Council of Institutional Investors, Government Finance Officers Association (GFOA), and Public Pension Financial Forum (P2F2).</p>
20207600	<p>Office Supplies</p> <p>Expenses comprised of consumable supplies and miscellaneous office items.</p>
20208100	<p>Postage Services</p> <p>Expenses comprised of mail preparation services performed by contract vendors for presorting, stuffing and sealing envelopes, United States Postal Services for direct mailings, Federal Express charges and other express mailing services. Refer to account 20292200 for postage costs related to mailing payroll warrants, notices, annual statements, and forms to SCERS members completed by the County Department of General Services (DGS).</p>

OBJECT	ACCOUNT TITLE & DESCRIPTION
20208500	Printing Services Expense related to specialty printing, rush orders, and quantity printing including member handbooks, member annual statements, newsletters to members, notices to members, envelopes, folders, portfolios, and stationery provided by contract vendors. Refer to account 20292100 for printing services provided by DGS.
20226100	Office Equipment Maintenance Services Expenses attributed to non-routine, preventive, and corrective maintenance on business machines and office equipment, which are not covered by equipment lease agreements in account 20227500 or provided by the County Department of Technology (DTech) in account 20291200.
20226200	Office Equipment Maintenance Supplies Maintenance supplies for business machines and office equipment which are not covered by service or lease agreements (see account 20227500).
20226400	Office Equipment Modular Furniture Expenses comprised of purchases of desks, chairs, tables, filing cabinets, and other office furniture.
20227500	Rents/Leases-Equipment Lease expenses for printers and photocopiers, including maintenance and repair service.
20244300	Medical Services Expenses pertain to processing of disability retirement applications, including independent medical examinations, laboratory work, and specialized copying services.
20250200	Actuarial Services Expenses attributed to routine actuarial services to be provided by Segal Consulting and any special studies requested by SCERS.
20250595	Board Meetings Expenses comprised of refreshments and meals for Retirement Board meetings.
20250607	Investment Services/Consultants and Other Investment-related expenses for consulting services, and third-party vendor services for the accounting and reporting of private market investments. This line item excludes investment manager fees, which are paid directly from investment earnings and are not included in the budget.
20252100	Temporary Staffing Services Temporary services to cover operational needs, temporary vacancies, leaves of absences, and special projects as needed.



OBJECT	ACCOUNT TITLE & DESCRIPTION
20253100	<p>Legal Services</p> <p>Legal services provided by County Counsel and external law firms for legal consultation and representation.</p>
20254100	<p>Personnel Services</p> <p>This is a County allocated cost for personnel services, including human resources and employee benefits services provided by the Department of Personnel Services. Personnel services costs are allocated based on SCERS' total FTE positions. In addition, SCERS is charged directly for the Senior Personnel Analyst position assigned exclusively to SCERS.</p>
20254110	<p>Labor Relations Services</p> <p>This is a County allocated cost from the County Office of Labor Relations for administering the collective bargaining process between the County and its employee organizations. This includes contract negotiations, administration, training, and resolving disputes through mediation, arbitration, and administrative hearings. The costs are allocated based on SCERS' total FTE positions.</p>
20254400	<p>Safety Program Services</p> <p>This is a County allocated cost from the County Department of Personnel Services for managing the Countywide Safety/Accident Prevention and Industrial Hygiene programs. The costs of the Safety Program are allocated to SCERS based on the allocation methodology for the Workers' Compensation Insurance program (70 percent five-year claims history and 30 percent estimated risk calculated by weighted payroll).</p>
20256100	<p>Reporting Services</p> <p>Expenses for contract services provided by qualified professionals acting as hearing officers for disability retirement cases as required by the Retirement Board.</p>
20256200	<p>Transcribing Services</p> <p>Expenses related to qualified legal reporters to record disability retirement hearings, prepare transcripts as necessary, and copy medical reports.</p>
20259100	<p>Other Professional Services</p> <p>Expenses attributed to professional services, including financial audits, graphic design and communications, CEM Benchmarking, strategic planning, private investigations, death file match services, and other professional services as needed.</p>
20259101	<p>Information Technology Services</p> <p>Expenses related to SCERS' public website hosting, intranet hosting, and maintenance and application support for the Pension Administration System.</p>

OBJECT	ACCOUNT TITLE & DESCRIPTION
20281200	<p>Data Processing Supplies</p> <p>Expenses for purchases of computers, monitors, laptop computers, printers, including related equipment, software, and supplies.</p>
20281302	<p>County Payroll</p> <p>This is a County allocated cost for employee payroll services as well as all associated reporting performed by the County Department of Finance (DOF), costs are allocated based on SCERS' total FTE positions.</p>
20281303	<p>County Payment Services</p> <p>This is a County allocated cost for paying invoices, including contract, vendor, and other claim payments performed by the County DOF, costs are allocated based on SCERS' payment claim/invoice expense transaction counts.</p>
20281305	<p>Audits</p> <p>This is a County allocated cost for audit services performed by the County Auditor-Controller's Office, costs are allocated based on SCERS' total FTE positions.</p>
20281700	<p>Election Services</p> <p>Expenses related to SCERS Board members elections.</p>
20283200	<p>Interpreter Services</p> <p>Expenses for foreign language interpreter services for members.</p>
20291000	<p>Countywide IT Services</p> <p>This is a County allocated cost for services provided by DTech, which include 3-1-1 contact center, Countywide data centers, communications center, service desk, security, policy, and planning initiatives.</p>
20291100	<p>Systems Development Services</p> <p>Expenses related to DTech labor charges for services requested by SCERS in the areas of revision and/or enhancement of existing automated systems, application development and implementation support, database design and support services, SAP ERP support and new features implementation, SharePoint and web services. Costs are based on DTech's billing rates for the upcoming fiscal year, which vary by type of service.</p>
20291200	<p>Systems Development Supplies</p> <p>This is a County allocated cost related to shared services provided by DTech, including backup and recovery services, computer equipment maintenance, internet/intranet website and web application hosting, high speed enterprise printing and warrant printing, mainframe operations support, storage hosting, and virtual server hosting.</p>



OBJECT	ACCOUNT TITLE & DESCRIPTION
20291300	<p>Department Of Finance Services</p> <p>Expenses related to SCERS employee payroll services and pension payroll services performed by the County DOF based on the cost per warrant and the total number of warrants processed.</p>
20291600	<p>Wide Area Network</p> <p>This is a County allocated cost from DTech for Wide Area Network (WAN), which includes infrastructure design, implementation, support, and maintenance services for the County's WAN.</p>
20291700	<p>Alarm Services</p> <p>This is a County allocated cost for electronic fire and intrusion alarm services, closed circuit television and public announcement sound systems provided by County Department of General Services. Costs are calculated based upon the number of services utilized within each facility and allocated to County Departments based upon the percentage of facility use charges.</p>
20292100	<p>GS-Printing Services</p> <p>Expenses for quantity printing service provided by DGS, including forms, letters, and other materials. The annual printing cost depends upon the size and complexity of all printing services requested. See account 20208500 for printing services provided by external vendors.</p>
20292200	<p>GS-Mail/Postage Charges</p> <p>Expenses related to U.S. postage and handling fees for sorted and unsorted first class mailings and certified mailings provided by DGS, including distribution of notices and forms to SCERS members, and postage costs for pension warrant and annual statements. The total annual cost for postage is determined by usage. Refer to account 20208100 for mailing services provided by external vendor.</p>
20292300	<p>GS-Messenger Services</p> <p>This is a County allocated cost from DGS for delivery of County inter-departmental mails, annual cost is based on one daily mail/messenger pick-up or delivery stop.</p>
20292500	<p>GS-Purchasing Services</p> <p>This is a County allocated cost from DGS, Contract and Purchasing Services Division, for a centralized purchasing process and for monitoring contracted vendor performance and resolves problems with vendors. Costs are based upon SCERS' pro-rata share of the combined purchase order dollar values by fund center. Data from COMPASS for the most recent full fiscal year is used as the basis for allocation.</p>
20292700	<p>GS-Warehousing Charges</p> <p>Expenses related to central warehouse and records management service provided by DGS, including the receipt, storage, retrieval, and destruction of semi-active and/or inactive records. Costs are based upon SCERS' space usage in square footage at a rate of \$0.73 per square foot.</p>

OBJECT	ACCOUNT TITLE & DESCRIPTION
20292800	<p>GS-Co Equipment Rental-Light Vehicles</p> <p>Expenses related to SCERS' use of County vehicles based on an estimated per diem established by DGS.</p>
20294200	<p>County Facility Use Charges (Shared Meeting Rooms)</p> <p>This is a County allocated cost for the County's shared meeting room based upon the applicable facility's per-square-foot costs as calculated by the Department of General Services, Department of Regional Parks, and Risk Management. The costs are then allocated based on the number of permanent authorized positions.</p>
20294300	<p>Leased Property Use Charges</p> <p>Rental expenses for SCERS' administrative office, which include after-hours utilities and miscellaneous building items and service requests, such as fire extinguishers, locks and keys, storage fees and other services.</p>
20296200	<p>Parking</p> <p>Monthly parking for management staff and parking validation coupons for the Retirement Board members to attend Board meetings and for other official business.</p>
20298300	<p>GS-Surplus Property Management</p> <p>This is a County allocated cost from DGS for services related to collection, classification, storage, and redistribution of surplus county-owned equipment, vehicles, and other personal property. The costs are allocated based on SCERS' total FTE positions.</p>
20298700	<p>Telephone Usage</p> <p>This is a County allocated cost from DTech for telecommunication and cellular services, including in-house maintenance, installation, and repair of telephone systems, and on-going support and security compliance of cellular telephone service and equipment, along with external vendor cellular telephone charges.</p>
20298900	<p>Telephone Installation</p> <p>This line item pertains to connection to the County telephone system, telephone equipment installation, and modifications to service from DTech. Costs are based on DTech's billing rates for the upcoming fiscal year, which vary by type of service.</p>
30332000	<p>Depreciation Expense</p> <p>Depreciation expense for capital assets such as building improvements, furniture and office equipment, including workstations, tables, and chairs.</p>
30348000	<p>Countywide Cost Allocation</p> <p>This is a County allocated cost for SCERS' portion of the County's General Fund overhead expenses, including the use of COMPASS, costs are determined based on usage and SCERS' total FTE positions. The allocated amount also includes true-up of prior two years of actual expenses.</p>



OBJECT ACCOUNT TITLE & DESCRIPTION**70790100 Appropriation For Contingencies**

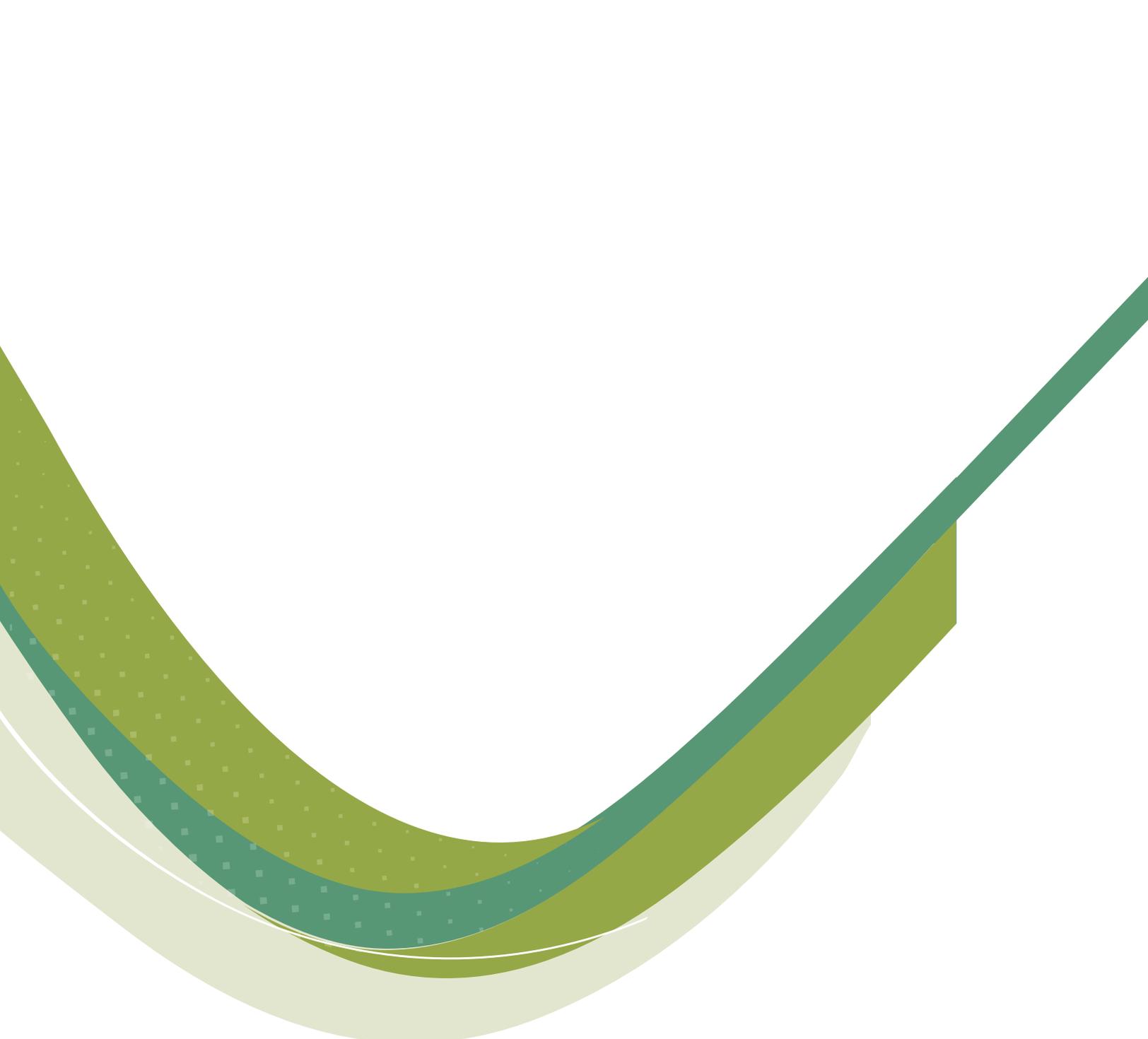
This line item is comprised of 1% of the total Salaries and Benefits, total Services and Supplies, and total Other Charges expenses.

Building Improvements

This line item is comprised of improvement costs for SCERS' office space and purchase of office furniture.

Pension Administration System

This line item is comprised of expenses related to SCERS' Pension Administration System (PAS), including consulting services, project management, temporary staffing, data conversion, software and hardware costs. PAS is a multi-phase and multi-year project. Costs for PAS related to activities in the preliminary project stage are expensed as incurred, and costs related to activities in the application development stage (including data conversion, software configuration, software interfaces, coding, installation, hardware, and testing) will be capitalized and depreciated over the estimated useful life of PAS. Depreciation of the capitalized costs will begin once PAS is ready for its intended use, which is expected to be in fiscal year 2021-22.



**SACRAMENTO COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

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