



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 15

MEETING DATE: April 15, 2020

SUBJECT: Proposed SCERS Budget for Fiscal Year 2020-21

SUBMITTED FOR: ___ Consent X Deliberation and Action ___ Receive and File

RECOMMENDATION

Staff recommends the Board approve the 2020-21 budget of approximately \$19.8 million, to be paid out of the retirement trust fund, for personnel and operating costs of administering the System.

PURPOSE

This item supports the 2019-20 Strategic Management Plan goal to minimize administrative expenses and to demonstrate fiscal stewardship.

DISCUSSION

With the uncertainties of the COVID-19 pandemic, Staff does not anticipate significant changes to the 2020-21 Budget and is comfortable recommending a budget plan based on current needs. However, Staff expects that costs for certain line items, such as Business Conferences and Travel, may not be fully incurred due to travel restrictions.

Below is a summary of major adjustments from 2019-20:

- Decrease in total proposed budget of \$333,000 or 2% is primarily due to the decrease in Capitalized Cost for the Pension Administration Project (PAS) and decrease in Legal Services expenses, offset by increase in Salaries and Benefits, Countywide Cost Allocation, and Building Improvements expenses.
- Increase in Salaries and Benefits of \$258,000 or 3% is mainly due to anticipated COLA increases and step raises for certain classifications and positions. The number of filled positions increased from 42 in 2018-19 to 49 in 2019-20.
- Decrease in Legal Services of \$315,000 or 21% is to reflect legal costs based on prior years actual spending.

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- Increase in Other Professional Services of \$80,000 or 34% is mainly due to the inclusion of budget cost associated with education videos for employers, members, and stakeholders to be posted on SCERS' website.
 - Decrease in Leased Property Use Charges of \$90,000 or 14% is due to recognition of two months of free rent effective at the commencement of the new lease term in May 2021.
 - Increase in Countywide Cost Allocation of \$296,000 or 83% is primarily due to increase in DTECH staff hours related to the PAS project and true-up of the County General Fund actual expenses from the prior two years.
 - Increase in Building Improvements of \$330,000 or 471% is mainly due to anticipated tenant improvement costs, which will be reimbursed by the lessor. As part of SCERS' building lease renewal, the lessor provides SCERS a total of \$600,000 allowance in tenant improvements. SCERS intends to spend the remaining tenant improvements balance in 2021-22.
 - Decrease in PAS of \$683,000 or 16% is due to the decrease in costs as the PAS project moves to the next phase of development and implementation.
 - In the prior year, Business Conferences and Travel were budgeted in two separate accounts. In 2020-21, Business Conferences and Travel are included in one account. The net change for the two accounts is minimal.

Overall Budget Approach

Staff employed the following approaches in developing the 2020-21 annual budget:

- Salaries and Benefits are projected using SCERS' actual payroll costs for the pay period ended 25 provided by the County Office of Budget and Debt Management. Certain line items are based on charges from the County's Allocated Cost Package. Overtime and Terminal Pay are based on SCERS' three-year average of actual expenses.
- Services and Supplies are mainly based on charges from the County Allocated Cost Package and SCERS' three-year average of actual expenses. Certain line items are based on contract amounts and anticipated costs to be incurred.
- Other Charges include three-year average of actual depreciation expenses and costs allocated to SCERS from the Countywide Cost Allocation.
- Appropriation for Contingencies is determined based on 1% of total budget amount for Salaries and Benefits, Service and Supplies, and Other Charges.
- Capitalized Costs are comprised of building improvements and the Pension Administration System (PAS). The budget amount is based on anticipated spending and contract amounts.

Functional Budget

Since last year's budget presentation to the Board in April 2019, Staff have continued the efforts to improve SCERS' budgeting process. Staff began to record the 2019-20 expenses by business-area function such as Administration, Benefits, Board of Retirement, Finance, Information Technology, and Investments. In addition, the 2020-21 Budget includes a section presenting the Budget by Function to provide a thematic, business view of SCERS' spending priorities.

Expenses allocated to each function for direct and indirect costs pertain to the respective functional area. SCERS Administration function is responsible for office and facility management, human resource, and overall administration of SCERS. The Benefits function oversees the administration of benefits and related member services. The Board of Retirement function includes costs for business conferences and travel, refreshments for board meetings, and stipends paid to Board members. The Finance function manages SCERS' financial processes, including budgeting, accounting, cash management, financial planning and analysis, and financial reporting. Information Technology has overall responsibility for functionality of SCERS information technology software, maintenance and equipment, and the IT modernization program. And the Investments is responsible for the oversight and implementation of SCERS' investment program.

Position Changes

SCERS has reevaluated its structure and proposed the reallocation of certain full-time equivalent (FTE) positions, which have been incorporated in the 2020-21 Annual Budget. The reallocation will provide a higher level of service and are in line with the business needs related to the PAS project. The following changes were approved by the County during the current fiscal year and will be reflected in the 2020-21 budget:

- Reallocate 1.0 FTE Office Assistant to 1.0 FTE Office Specialist.
- Reallocate 1.0 FTE Senior Office Assistant to 1.0 FTE Office Specialist.
- Reallocate 1.0 FTE Senior Account Clerk to 1.0 FTE Accounting Technician.

The following changes were included in a Salary Resolution Amendment and have been submitted to the County for approval:

- Reallocate 1.0 FTE Retirement Services Supervisor to 1.0 FTE Investment Analyst.
- Reallocate 1.0 FTE Senior Retirement Benefit Specialist to 1.0 FTE Senior Accountant.
- Reallocate 1.0 FTE Senior Information Technology Analyst to 1.0 FTE Supervisor Information Technology Analyst.

Additionally, the 2020-21 Budget included the addition of 1.0 FTE position for the new Senior Retirement Investment Officer classification, which has been approved by the Civil Service Commission and is pending final approval from the Board of Supervisors.

Administrative Expense Budget Limit

Pursuant to Government Code Sections 31580.2 and 31596.1, the statutory limit for administrative expenses shall not exceed the greater of twenty-one hundredths of one percent (.21%) of the actuarial accrued liability of the retirement system or \$2,000,000 as adjusted annually by a specified annual cost-of-living adjustment. Government Code Sections 31580.2 and 31596.1 specify that certain investment, technology, and legal costs are not considered administrative expenses.

The administrative expense budget for 2020-21 totals \$11,153,000, which represents an increase of \$1,182,000 compared to the 2019-20 administrative expense budget of \$9,971,000. The primary reason for the increase is due to Staff reevaluating the approach in determining investment-related costs. In the past, salaries and benefits of non-investment personnel working on investment-related activities were considered investment-related costs and a percentage of their salaries and benefits were excluded from the administrative expenses. In 2020-21 Budget, only investment personnel's salaries and benefits are being excluded from administrative expenses. As a percent of SCERS' actuarial accrued liabilities, the administrative expenses represent 0.09% in 2020-21, which is consistent with the percentage in 2019-20.

ATTACHMENTS

- Budget Presentation
- Annual Budget Fiscal Year 2020-21

/S/

Debbie Chan
Senior Accounting Manager

/S/

Eric Stern
Chief Executive Officer

2020-21 Annual Budget



SCERS

SACRAMENTO COUNTY
EMPLOYEES' RETIREMENT SYSTEM

Overall Budgeting Process

❖ On-time Budget Approval

- ❑ One round of Board review and approval in April

❖ Broader Budget Picture

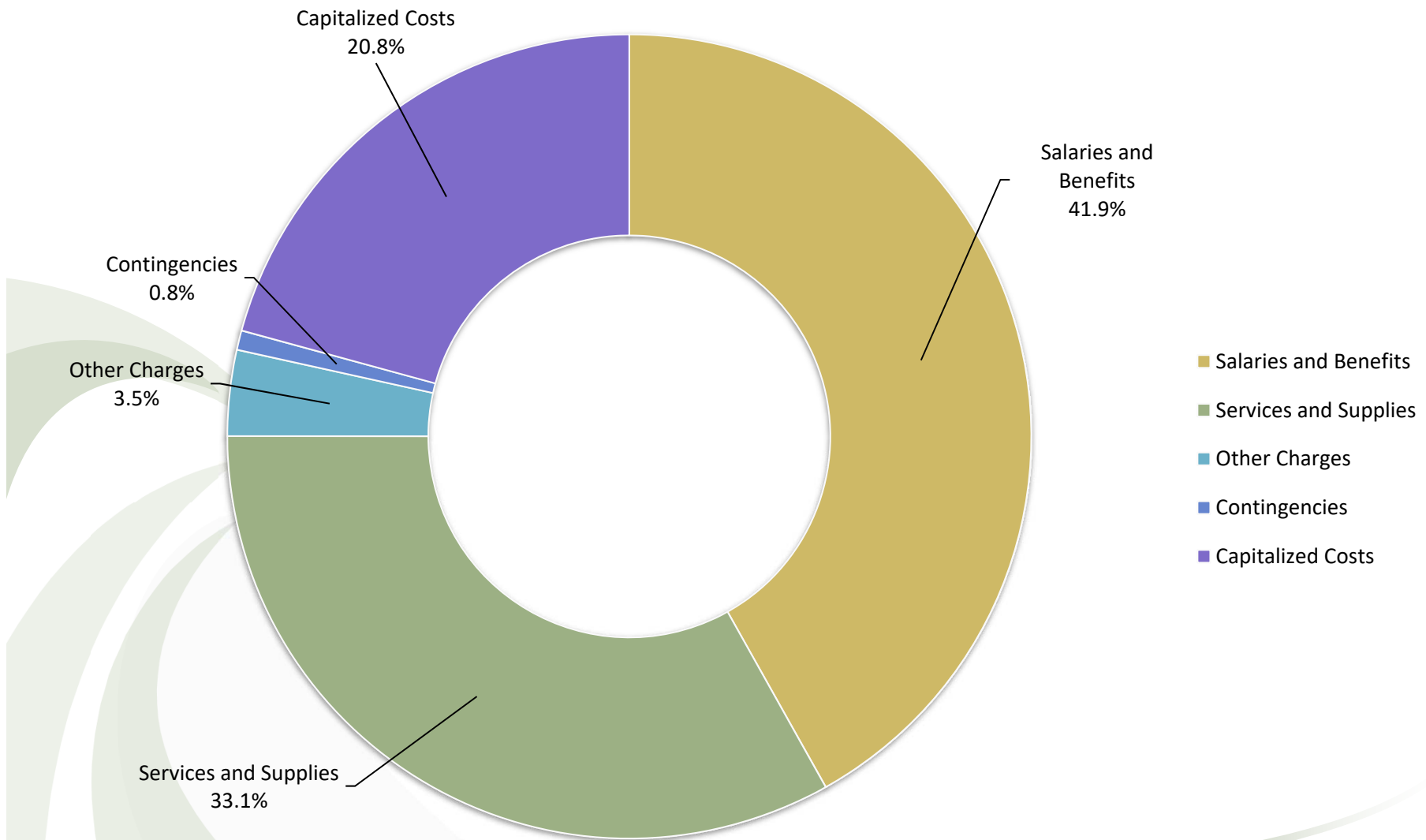
- ❑ Displays a comprehensive spending plan for all SCERS' operations
- ❑ No Anticipated budget increase due to the COVID-19 pandemic

❖ Functional Budget

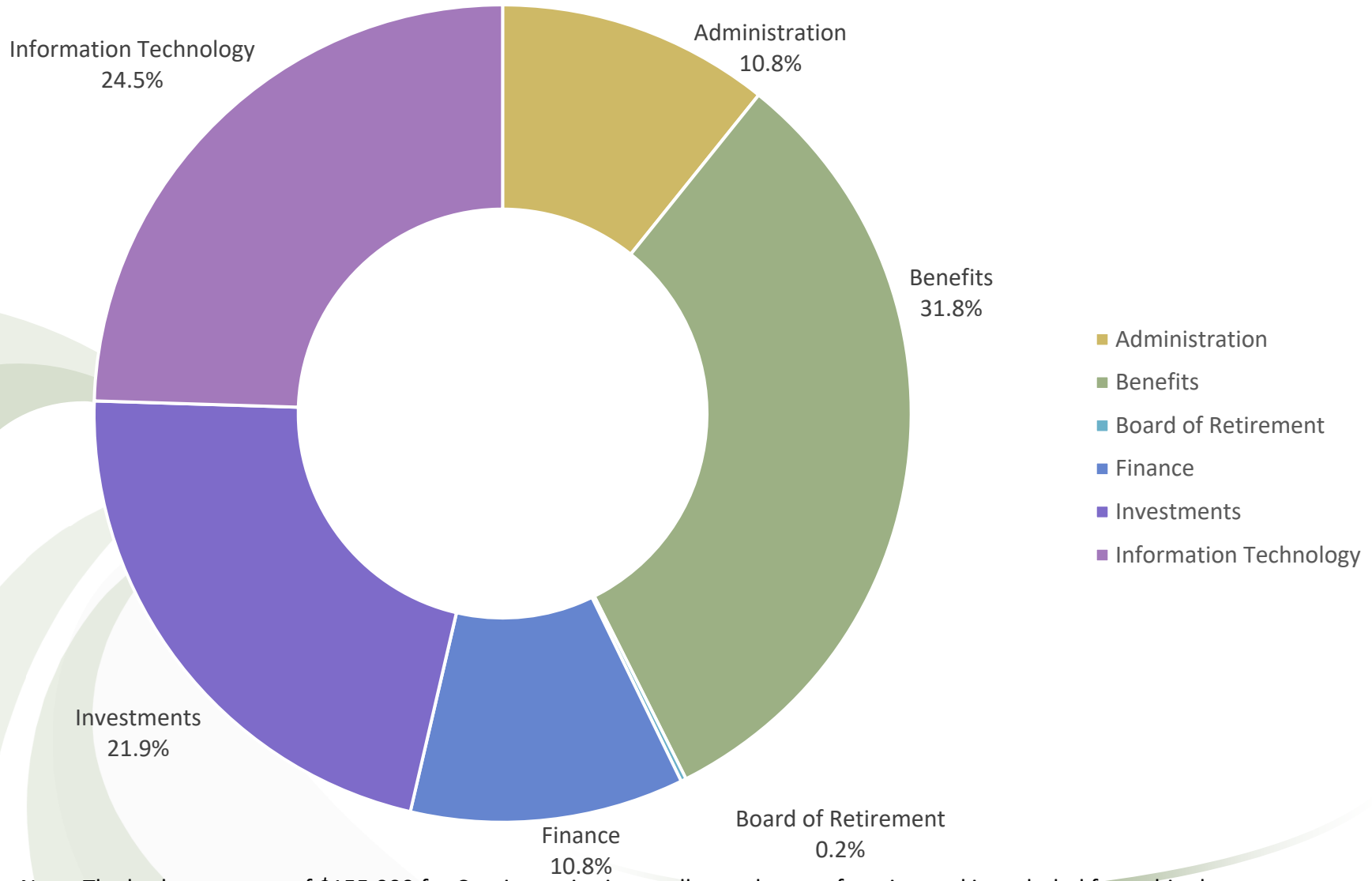
- ❑ Displays expenses by business function



2020-21 Proposed Budget by Expense Type:



2020-21 Proposed Budget by Function



Note: The budget amount of \$155,000 for Contingencies is not allocated to any function and is excluded from this chart.



Significant Budget Changes

- ❖ No major programmatic changes or budget requests. Year-over-year spending (excluding capitalized costs) is relatively flat.

- ❖ Increase in Salaries and Benefits of \$258,000
 - ❑ Reflects anticipated COLA increases and step raises.
 - ❑ The number of filled positions increased from 42 in 2018-19 to 49 in 2019-20.

- ❖ Reduction in Services and Supplies of \$531,000 mainly due to the decrease in Legal Services, System Development Supplies, and Lease Property Use Charges.



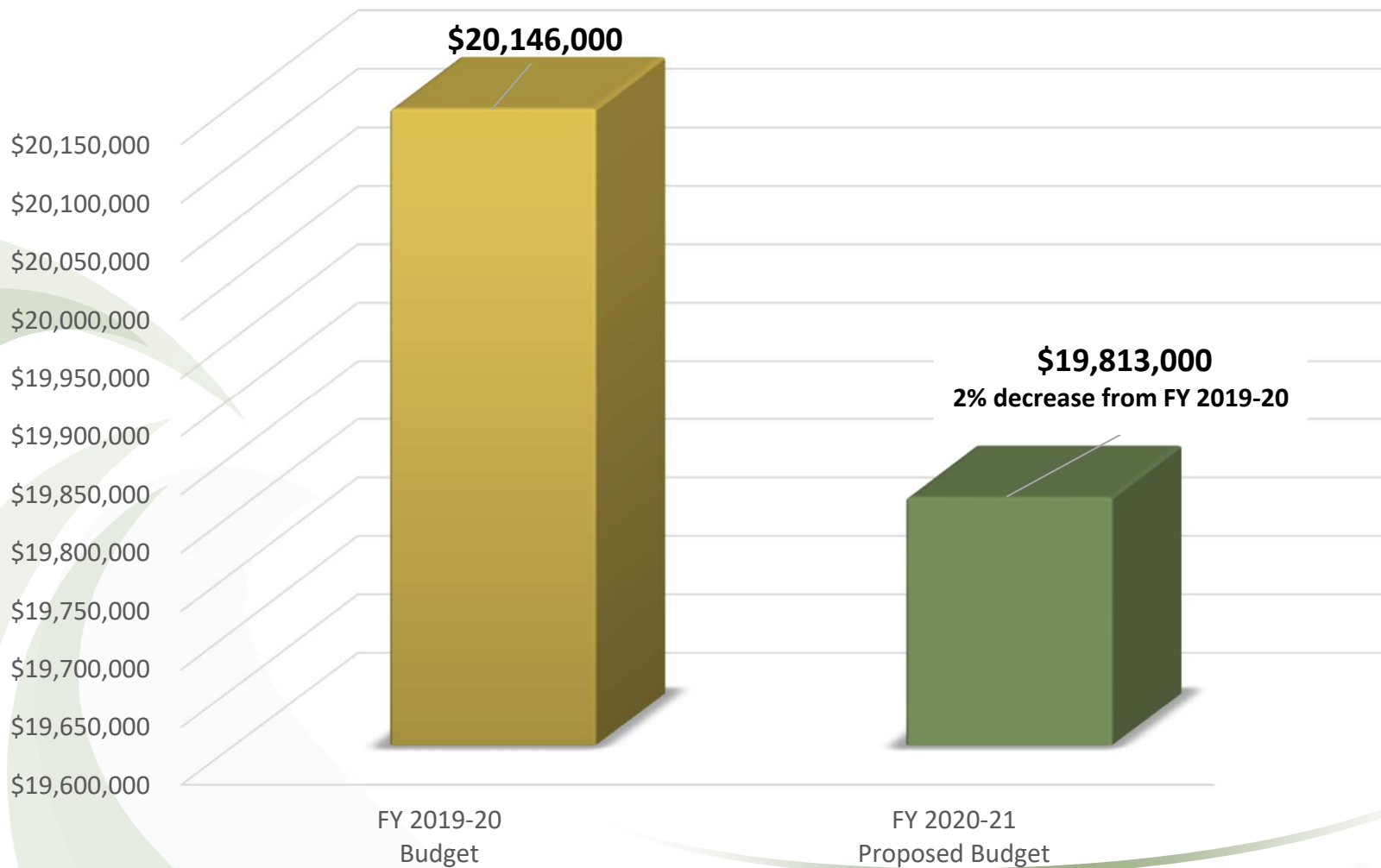
Significant Budget Changes (Continued)

- ❖ Increase in Other Charges of \$293,000 resulting from the increase in Countywide Cost Allocation, which is attributable to increase in DTECH staff hours for the PAS project and true-up of the County General Fund actual expenses from the prior two years.

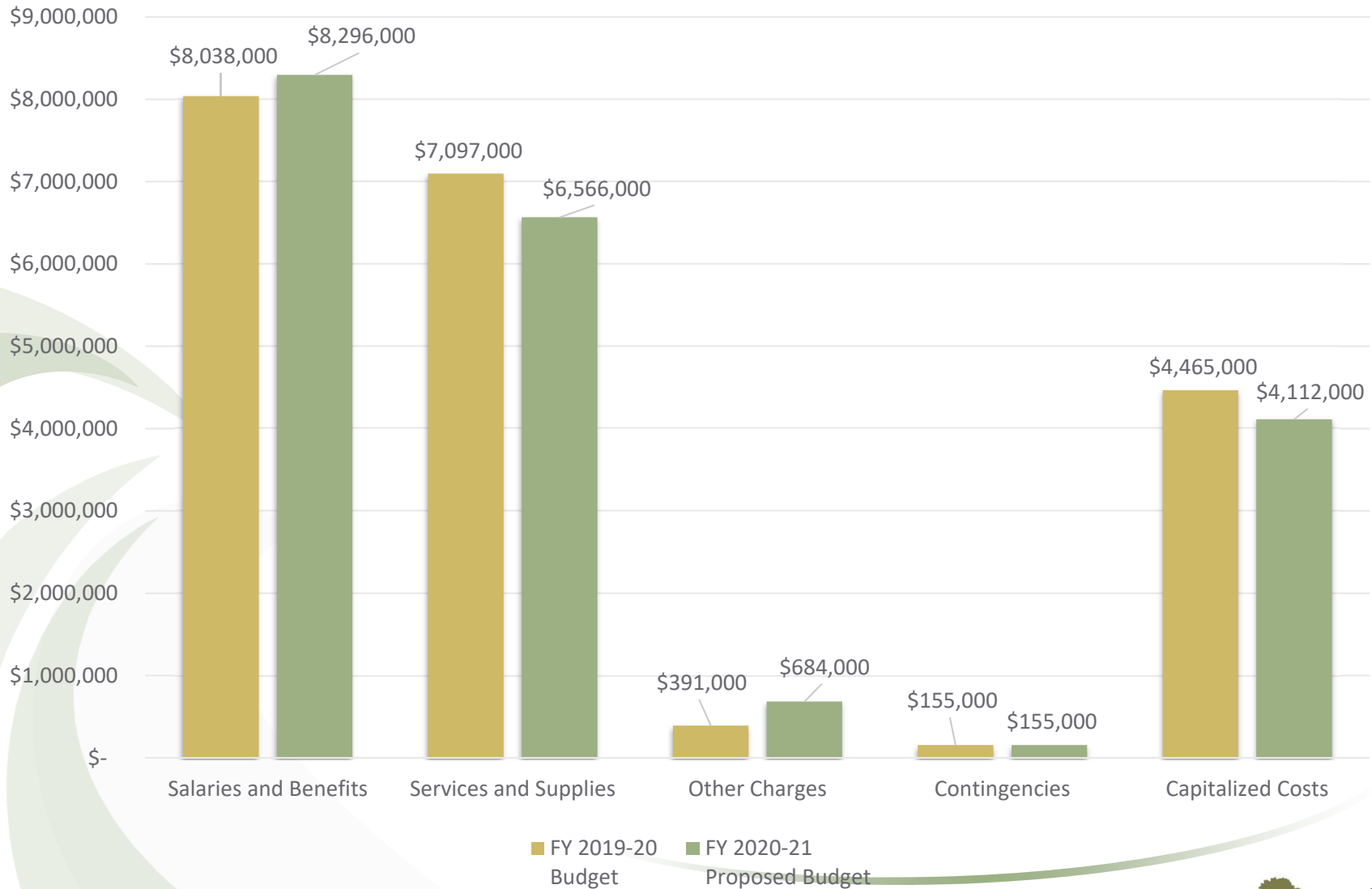
- ❖ Decrease in Capitalized Costs of \$353,000
 - ❑ Reflects increase in Building Improvements, which will be reimbursed by SCERS' office building lessor.
 - ❑ Reflects off setting decrease in PAS project costs as we move to the next phase.



2019-20 Budget and 2020-21 Proposed Budget - Total



2019-20 Budget and 2020-21 Proposed Budget - Summary



Position Changes

- ❖ Reevaluated SCERS' structure and proposed the reallocation of certain full-time equivalent (FTE) positions, which have been incorporated in the 2020-21 Annual Budget.
 - ❑ Reallocate 1.0 FTE Office Assistant to 1.0 FTE Office Specialist
 - ❑ Reallocate 1.0 FTE Senior Office Assistant to 1.0 FTE Office Specialist
 - ❑ Reallocate 1.0 FTE Senior Account Clerk to 1.0 FTE Accounting Technician
 - ❑ Reallocate 1.0 FTE Retirement Services Supervisor to 1.0 FTE Investment Analyst
 - ❑ Reallocate 1.0 FTE Senior Retirement Benefit Specialist to 1.0 FTE Senior Accountant
 - ❑ Reallocate 1.0 FTE Senior Information Technology Analyst to 1.0 FTE Supervisor Information Technology Analyst
- ❖ Establishment of 1.0 FTE Senior Retirement Investment Officer included in budget proposal.



Administrative Expense Budget Limit

❖ Budget Limit for Administrative Expenses

- ❑ The statutory limit is 0.21% of the total actuarial accrued liability (AAL).
- ❑ 2020-21 Administrative Expenses total 0.09% of AAL (no changes from the prior year).

❖ 2020-21 administrative expense budget totals \$11,153,000, which excludes:

- ❑ Expenses for computer software, computer hardware, and computer technology consulting services.
- ❑ Actuarial expenses.
- ❑ Investment-related expenses, including legal expenses.





Sacramento County
Employees' Retirement System

Annual Budget

For the Fiscal Year 2020-21



SCERS

Sacramento,
California

WWW.SCERS.ORG



SCERS

Sacramento,
California

PREPARED BY:

ERIC STERN
Chief Executive Officer

DEBBIE CHAN, CPA, CGMA
Senior Accounting Manager

XEE VANG
Accounting Manager

JOYCY ESCOBAR
Accounting Manager

SCERS Annual Budget

For the Fiscal Year 2020-21

**SACRAMENTO COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

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Summary of Significant Budget Changes

(Dollar Amounts Rounded to the Nearest Thousand)

The SCERS 2020-21 Annual Budget of \$19,813,000 represents the financial resources needed to help us achieve our strategic priorities and initiatives for the organization. Staff employed the following approaches in developing the 2020-21 annual budget:

- Salaries and Benefits are projected using SCERS' actual payroll costs for the pay period ended 25 provided by the County Office of Budget and Debt Management. Certain line items are based on charges from the County's Allocated Cost Package. Overtime and Terminal Pay are based on SCERS' three-year average of actual expenses.
- Services and Supplies are mainly based on charges from the County Allocated Cost Package and SCERS' three-year average of actual expenses. Certain line items are based on contract amounts and anticipated costs to be incurred.
- Other Charges include three-year average of actual depreciation expenses and costs allocated to SCERS from the Countywide Cost Allocation.
- Contingencies are determined based on 1% of total budget amount for Salaries and Benefits, Service and Supplies, and Other Charges.
- Capitalized Costs are comprised of building improvements and the Pension Administration System (PAS). The budget amount is based on anticipated spending and contract amounts.

There are no significant programmatic changes for 2020-21. Below is a summary of the main changes from 2019-20:

- Decrease in total proposed budget of \$333,000 or 2% is primarily due to the decrease in Capitalized Cost for the PAS and Legal Services expense offset by increase in Salaries and Benefits, Countywide Cost Allocation and Building Improvements expenses.
- Increase in Salaries and Benefits of \$258,000 or 3% is mainly due to anticipated COLA increases and step raises for certain classifications and positions. The number of filled positions increased from 42 in 2018-19 to 49 in 2019-20.
- In the prior year, Business Conferences and Travel were budgeted in two separate accounts. In 2020-21, Business Conferences and Travel are included in one account. The net change for the two accounts is minimal.
- Decrease in Legal Services of \$315,000 or 21% is to reflect legal costs based on prior years actual spending.
- Increase in Other Professional Services of \$80,000 or 34% is mainly due to the inclusion of budget cost associated with education videos for employers, members, and stakeholders to be posted on SCERS' website.

(Dollar Amounts Rounded to the Nearest Thousand)

- Decrease in Leased Property Use Charges of \$90,000 or 14% is due to recognition of two months of free rent effective at the commencement of the new lease term in May 2021.
- Increase in Countywide Cost Allocation of \$296,000 or 83% is primarily due to increase in DTECH staff hours related to the PAS project and true-up of the County General Fund actual expenses from the prior two years.
- Increase in Building Improvements of \$330,000 or 471% is mainly due to anticipated tenant improvement costs, which will be reimbursed by the lessor. As part of SCERS' building lease renewal, the lessor provides SCERS a total of \$600,000 allowance in tenant improvements. SCERS intends to spend the remaining tenant improvements balance in 2021-22.
- Decrease in PAS of \$683,000 or 16% is due to the decrease in costs as the PAS project moves to the next phase of development and implementation.

Budget Summary by Expense Type

(Dollar Amounts Rounded to the Nearest Thousand)

Expense Type	FY 2018-19 Actual Expense	FY 2019-20 Budget	FY 2020-21 Proposed Budget	Year-Over-Year Percentage Change
Salaries and Benefits	\$6,167,000	\$8,038,000	\$8,296,000	3%
Services and Supplies	5,772,000	7,097,000	6,566,000	(7)
Other Charges	159,000	391,000	684,000	75
Contingencies	-	155,000	155,000	-
Total	12,098,000	15,681,000	15,701,000	-
Capitalized Costs	4,129,000	4,465,000	4,112,000	(8)
Grand Total	\$16,227,000	\$20,146,000	\$19,813,000	(2)%

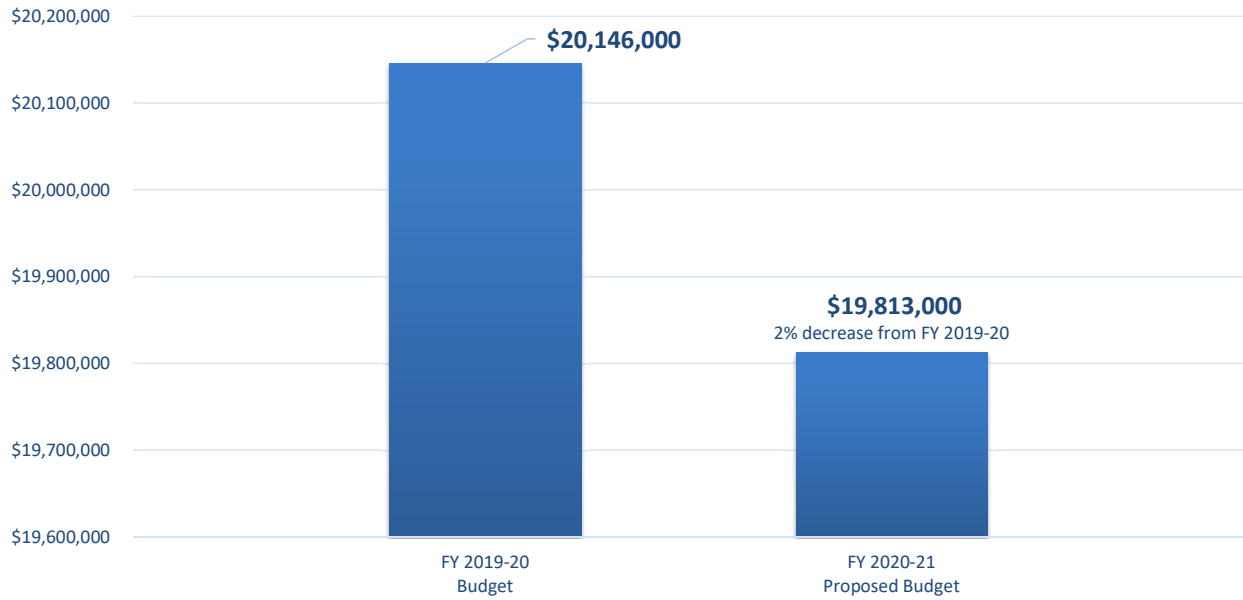
(Dollar Amounts Rounded to the Nearest Thousand)

Fiscal Year 2020-21 Proposed Budget and Fiscal Year 2019-20 Budget



(Dollar Amounts Rounded to the Nearest Thousand)

Fiscal Year 2020-21 Proposed Budget and Fiscal Year 2019-20 Budget



Proposed Budget by Function

Functional Area Allocation Approach:

Expenses allocated to each function for direct and indirect costs pertain to the respective functional area. SCERS Administration function is responsible for office and facility management, human resource, and overall administration of SCERS. The Benefits function oversees the administration of benefits and related member services. The Board of Retirement function includes costs for business conferences and travel, refreshments for board meetings, and stipends paid to Board members. The Finance function manages SCERS' financial processes, including budgeting, accounting, cash management, financial planning and analysis, and financial reporting. Information Technology has overall responsibility for functionality of SCERS information technology software, maintenance and equipment, and the IT modernization program. Investments is responsible for the oversight and implementation of SCERS' investment program. The following summarizes the methodologies used to allocate the different type of expenses to the respective functions:

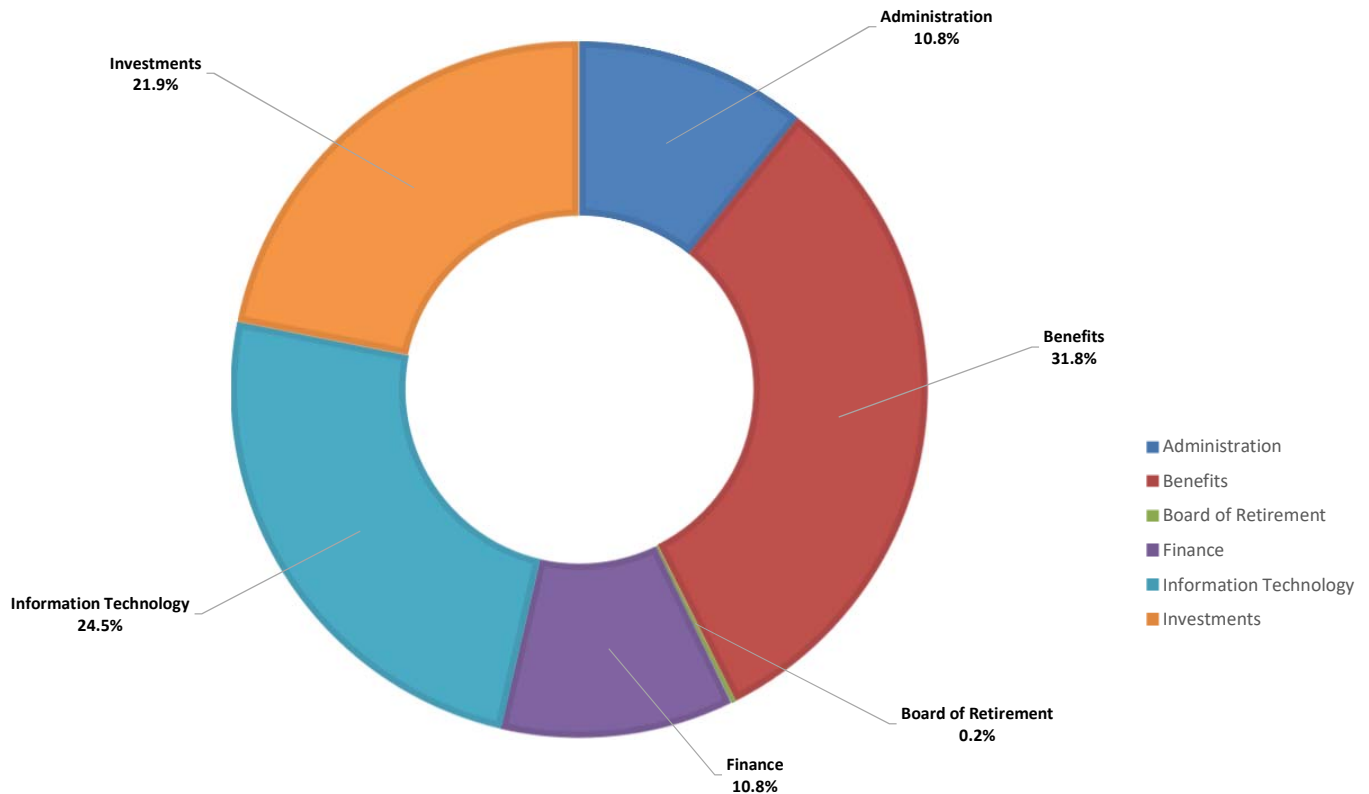
- **Salaries and Benefits** are allocated based on the total salaries and benefits costs specific to a function. A percentage is determined based on the respective function's costs divided by the total SCERS salaries and benefits amount. This percentage is used to calculate the salaries and benefits amounts to be allocated to each function on a monthly basis. Salaries and Benefits charged to the Board of Retirement function is comprised of stipends for Board members who are not County employees to attend regular and special Board and Committee meetings.
- **Services and Supplies**
 - **Indirect expenses** such as County allocated costs, insurance liability, office supplies, postage and printing services, rents/leases, etc. are allocated based on the percentage of total full-time equivalent (FTE) positions assigned to the respective function. A percentage is calculated using the total FTE positions assigned to the specific function divided by the total FTE positions for SCERS. This percentage is used to calculate the indirect expense amounts for each of the function. Indirect expenses are not charged to the Board of Retirement function.
 - **Direct expenses** such as actuarial, business conferences and travel, Countywide IT services, external financial statement audit, information technology services, membership, medical, actuarial, legal, reporting, and transcribing services, etc. are charged directly to the respective functions incurring the costs.
- **Other Charges** are comprised of depreciation expenses and Countywide cost allocation, and are allocated using the same methodology as indirect expenses.
- **Contingencies** are not allocated to any of the functions.
- **Capitalized Costs** are comprised of building improvements and Pension Administration System (PAS) costs. Building improvements are allocated to the Administration function, and PAS costs are allocated to the Information Technology function.

Fiscal Year 2020-21 Functional Budget Summary

(Dollar Amounts Rounded to the Nearest Thousand)

Expense Type	Administration		Benefits		Board of Retirement	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Salaries and Benefits	\$1,378,000	17%	\$3,767,000	45%	\$8,000	-%
Services and Supplies	261,000	4	2,099,000	32	33,000	1
Other Charges	80,000	12	388,000	57	-	-
Total	1,719,000	11	6,254,000	40	41,000	-
Contingencies	-	-	-	-	-	-
Capitalized Costs	400,000	10	-	-	-	-
Grand Total	\$2,119,000	11%	\$6,254,000	32%	\$41,000	-%

Fiscal Year 2020-21 Functional Budget Percentage



Note: The budget amount of \$155,000 for Contingencies is not allocated to any function and is excluded from this chart.

Fiscal Year 2020-21 Functional Budget Summary (Continued)

(Dollar Amounts Rounded to the Nearest Thousand)

Finance		Information Technology		Investments		Total
Amount	Percentage	Amount	Percentage	Amount	Percentage	
\$1,592,000	19%	\$329,000	4%	\$1,222,000	15%	\$8,296,000
411,000	6	753,000	11	3,009,000	46	6,566,000
125,000	18	23,000	3	68,000	10	684,000
2,128,000	14	1,105,000	7	4,299,000	28	15,546,000
-	-	-	-	-	-	155,000
-	-	3,712,000	90	-	-	4,112,000
\$2,128,000	11%	\$4,817,000	24%	\$4,299,000	22%	\$19,813,000

Budget Detail

(Dollar Amounts Rounded to the Nearest Thousand)

Account Number	Account Title	FY 2018-19 Actual Expense	FY 2019-20 Budget	FY 2019-20 Percentage Expended as of 12/31/2019	FY 2020-21 Proposed Budget	Increase / (Decrease) from FY 2019-20 Budget	
						Amount	Percentage
Salaries and Benefits							
10111000	Salaries & Wages-Regular Employees	\$3,825,000	\$5,292,000	40%	\$5,328,000	\$36,000	1%
10112400	Salaries & Wages-Committee Members	7,000	10,000	31	8,000	(2,000)	(20)
10113100	Salaries & Wages-Straight Time O/T	24,000	14,000	85	19,000	5,000	36
10113200	Salaries & Wages-Time & One Half O/T	26,000	84,000	2	72,000	(12,000)	(14)
10114100	Salaries & Wages-Premium Pay	55,000	75,000	41	73,000	(2,000)	(3)
10114300	Allowances	5,000	5,000	55	5,000	-	-
10115200	Terminal Pay	152,000	118,000	71	146,000	28,000	24
10121000	Retirement-Normal & UAAL	656,000	1,005,000	39	1,079,000	74,000	7
10121100	Retirement-1995/2003 POB Debt Service	307,000	322,000	50	323,000	1,000	-
10121200	Retirement-2004 POB Debt Service	148,000	160,000	50	157,000	(3,000)	(2)
10121300	Health Savings-Employer Cost	30,000	40,000	40	39,000	(1,000)	(3)
10121400	401A Plan-Employer Cost	16,000	23,000	39	23,000	-	-
10122000	OASDI-Employer Cost	292,000	388,000	38	384,000	(4,000)	(1)
10123000	Group Insurance-Employer Cost	603,000	907,000	38	917,000	10,000	1
10123000	WC Insurance-Employer Cost	20,000	16,000	49	17,000	1,000	6
10125000	Unemployment Insurance-Employer Cost	1,000	1,000	75	2,000	1,000	100
10199900	Salary Savings Factor	-	(422,000)	N/A	(296,000)	126,000	(30)
	Salaries and Benefits	6,167,000	8,038,000	42	8,296,000	258,000	3
Services and Supplies							
20200500	Advertising/Legal Notices	4,000	9,000	-	2,000	(7,000)	(78)
20202200	Books/Periodicals Supply	-	-	(100)	-	-	-
20202400	Periodicals & Subscriptions	7,000	9,000	41	7,000	(2,000)	(22)
20202900	Business Conferences	52,000	116,000	16	-	(116,000)	(100)
20203100	Business Conferences and Travel	28,000	13,000	41	146,000	133,000	1,023
20203500	Education & Training Services	-	7,000	76	7,000	-	-
20203700	Employee Tuition Reimbursement	1,000	-	-	-	-	-
20203800	Employee Recognition	12,000	12,000	44	16,000	4,000	33
20205100	Insurance-Liability	27,000	32,000	50	41,000	9,000	28
20205200	Insurance-Fiduciary Liability	107,000	108,000	47	108,000	-	0
20206100	Memberships	19,000	28,000	33	26,000	(2,000)	(7)
20207600	Office Supplies	15,000	14,000	63	15,000	1,000	7
20208100	Postage Services	6,000	6,000	53	6,000	-	-
20208500	Printing Services	10,000	21,000	31	16,000	(5,000)	(24)
20226400	Office Equipment Modular Furniture	87,000	45,000	37	29,000	(16,000)	(36)
20227500	Rents/Leases-Equipment	18,000	18,000	45	18,000	-	-

(Dollar Amounts Rounded to the Nearest Thousand)

Account Number	Account Title	FY 2018-19 Actual Expense	FY 2019-20 Budget	FY 2019-20 Percentage Expended as of 12/31/2019	FY 2020-21 Proposed Budget	Increase / (Decrease) from FY 2019-20 Budget	
						Amount	Percentage
20244300	Medical Services	205,000	325,000	6	291,000	(34,000)	(10)
20250200	Actuarial Services	219,000	273,000	50	241,000	(32,000)	(12)
20250595	Board Meetings	-	4,000	15	2,000	(2,000)	(50)
20250607	Investment Services/Consultants and Other	1,900,000	1,960,000	50	1,960,000	-	-
20252100	Temporary Staffing Services	34,000	75,000	0	31,000	(44,000)	(59)
20253100	Legal Services	1,014,000	1,515,000	26	1,200,000	(315,000)	(21)
20254100	Personnel Services	54,000	182,000	50	241,000	59,000	32
20254110	Labor Relations Services	7,000	8,000	49	8,000	-	-
20254400	Safety Program Services	1,000	1,000	51	1,000	-	-
20256100	Reporting Services	121,000	200,000	10	153,000	(47,000)	(24)
20256200	Transcribing Services	6,000	20,000	9	12,000	(8,000)	(40)
20259100	Other Professional Services	197,000	237,000	42	317,000	80,000	34
20259101	Information Technology Services	186,000	330,000	69	384,000	54,000	16
20281200	Data Processing Supplies	38,000	50,000	70	45,000	(5,000)	(10)
20281302	County Payroll	3,000	3,000	45	3,000	-	-
20281303	County Payment Services	3,000	4,000	50	5,000	1,000	25
20281305	Audits	2,000	2,000	55	2,000	-	-
20281700	Election Services	23,000	30,000	89	-	(30,000)	(100)
20283200	Interpreter Services	-	1,000	-	1,000	-	-
20291000	Countywide IT Services	47,000	43,000	50	43,000	-	-
20291100	Systems Development Services	192,000	207,000	48	117,000	(90,000)	(43)
20291200	Systems Development Supplies	51,000	47,000	58	60,000	13,000	28
20291300	Department of Finance Services	205,000	220,000	45	180,000	(40,000)	(18)
20291600	Wide Area Network	43,000	58,000	50	57,000	(1,000)	(2)
20291700	Alarm Services	9,000	1,000	48	2,000	1,000	100
20292100	GS-Printing Services	5,000	29,000	40	24,000	(5,000)	(17)
20292200	GS-Mail/Postage Charges	137,000	128,000	53	129,000	1,000	1
20292300	GS-Messenger Services	4,000	4,000	46	4,000	-	-
20292500	GS-Purchasing Services	2,000	2,000	48	4,000	2,000	100
20292700	GS-Warehousing Charges	1,000	1,000	70	1,000	-	-
20294200	County Facility Use Charges	3,000	3,000	49	3,000	-	-
20294300	Leased Property Use Charges	628,000	660,000	48	570,000	(90,000)	(14)
20296200	Parking	12,000	18,000	38	17,000	(1,000)	(6)
20298300	GS-Surplus Property Management	2,000	2,000	46	2,000	-	-
20298700	Telephone Usage	22,000	15,000	86	17,000	2,000	13
20298900	Telephone Installation	3,000	1,000	18	2,000	1,000	100
	Services and Supplies	5,772,000	7,097,000	41	6,566,000	(531,000)	(7)

(Dollar Amounts Rounded to the Nearest Thousand)

Account Number	Account Title	FY 2018-19 Actual Expense	FY 2019-20 Budget	FY 2019-20 Percentage Expended as of 12/31/2019	FY 2020-21 Proposed Budget	Increase / (Decrease) from FY 2019-20 Budget	
						Amount	Percentage
Other Charges							
30332000	Depreciation Expense	33,000	36,000	45	33,000	(3,000)	(8)
30348000	Countywide Cost Allocation	126,000	355,000	49	651,000	296,000	83
	Other Charges	159,000	391,000	49	684,000	293,000	75
Contingencies							
70790100	Appropriation for Contingencies	-	155,000	-	155,000	-	-
	Contingencies	-	155,000	-	155,000	-	-
	Total Expenses	12,098,000	15,681,000	41	15,701,000	20,000	-
Capitalized Costs							
	Building Improvements	-	70,000	-	400,000	330,000	471
	Pension Administration System	4,129,000	4,395,000	45	3,712,000	(683,000)	(16)
	Capitalized Costs	4,129,000	4,465,000	44	4,112,000	(353,000)	(8)
Grand Total		\$16,227,000	\$20,146,000	42%	\$19,813,000	\$(333,000)	(2)%

NA - Not applicable.

Summary of Positions

Position Title	Requested FY 2019-20	Approved FY 2019-20	Filled FY 2019-20 (*)	Requested FY 2020-21
Accountant	2	2	2	2
Accounting Manager	2	2	2	2
Accounting Technician	1	1	1	2
Administrative Services Officer II	1	1	1	1
Assistant Retirement Administrator - Chief Benefits Officer	1	1	1	1
Assistant Retirement Administrator - Chief Operations Officer	1	1	-	1
Assistant Retirement Administrator - Chief Strategy Officer	1	1	1	1
Assistant Retirement Administrator - Deputy Chief Investment Officer	1	1	1	1
Chief Investment Officer - Retirement	1	1	1	1
Executive Secretary	1	1	1	1
Information Technology Analyst I/II	1	1	1	1
Office Assistant II	1	1	-	-
Office Specialist I/II	4	4	4	7
Paralegal	1	1	1	1
Personnel Specialist II	1	1	-	-
Retirement Administrator - Chief Executive Officer	1	1	1	1
Retirement Benefits Specialist I/II	12	12	11	12
Retirement Disability Specialist	-	-	-	-
Retirement General Counsel	1	1	1	1
Retirement Investment Analyst II	-	-	-	1
Retirement Investment Officer	2	2	2	2
Retirement Services Analyst	4	4	4	4
Retirement Services Manager	1	1	1	1
Retirement Services Supervisor	4	4	2	3
Senior Account Clerk	1	1	1	-
Senior Accountant	2	2	2	3
Senior Accounting Manager	1	1	1	1
Senior Information Technology Analyst	1	1	1	-
Senior Office Assistant	1	1	-	-
Senior Public Information Officer	1	1	-	1
Senior Retirement Benefits Specialist	7	7	5	6
Senior Retirement Investment Officer (**)	2	-	-	1
Supervisor Information Technology Analyst	-	-	-	1
Total	61	59	49	60

Note: SCERS' proposed budget headcount for fiscal year 2020-21 is 60, which does not include the Senior Personnel Analyst (SPA). The SPA position is contracted through the County Department of Personnel Services.

(*) Fiscal year 2019-20 filled positions are presented as of December 31, 2019.

(**) Pending final approval from the Board of Supervisors for the Senior Retirement Investment Officer position.

Summary of Business Conferences and Travel

(Dollar Amounts Rounded to the Nearest Thousand)

Date	Conference	Attendee(s)	Total Budget Amount
July-2020	SACRS Public Pension Investment Management Program	Board Members or Management Staff	\$4,000
July-2020	The Pension Bridge - Private Equity Exclusive Conference	Chief Investment Officer	2,000
August-2020	CALAPRS Principles of Pension Governance for Trustees	Board Members (2)	9,000
August-2020	NASRA Annual Conference	Chief Executive Officer	3,000
September-2020	IFEBP Certificate Program	Retirement Services Analyst	4,000
September-2020	CALAPRS Accountants' Round Table	Management Staff and Staff Member (2)	2,000
September-2020	CALAPRS Benefits Round Table	Management Staff and Staff Member (2)	2,000
September-2020	CALAPRS Attorneys' Round Table	General Counsel	1,000
September-2020	CALAPRS Administrators' Institute	Chief Executive Officer	2,000
October-2020	CALAPRS Intermediate Course in Retirement Plan Administration	SCERS Staff (2)	2,000
October-2020	Global ARC Conference	Chief Investments Officer	2,000
October-2020	Public Pension Financial Forum	Senior Accounting Manager	2,000
October-2020	CALAPRS Information Technology Round Table	Senior Information Technology Analyst or IT Analyst	1,000
October-2020	CALAPRS Trustees' Round Table	Board Member	1,000
October-2020	CALAPRS Administrative Assistant Round Table	Executive Secretary	1,000
October-2020	Super Return Private Credit Conference	Investment Staff	2,000
October-2020	Pension Bridge Alternatives Forum	Investment Staff	1,000
November-2020	SACRS Fall Conference	Management Staff and Board Members (10)	14,000
December-2020	CALAPRS Advanced Course in Retirement Plan Administration	SCERS Staff (2)	2,000
December-2020	Markets Group Conference	Investment Staff	1,000
January-2021	Institutional Investor: Risk and Liquidity Forum	Chief Investment Officer	1,000
January-2021	VIP Americas Real Estate Conference	Investment Staff	1,000
February-2021	CALAPRS Administrators' Round Table	Chief Executive Officer	1,000
February-2021	Institutional Investor: Real Assets Forum	Investment Staff	1,000
February-2021	CALAPRS Trustees' Round Table	Board Members	1,000
February-2021	CSMFO Annual Conference	Senior Accounting Manager	2,000
February-2021	NAPPA Winter Seminar	General Counsel	2,000
March-2021	CALAPRS General Assembly	Management Staff and Board Members (3)	3,000
March-2021	CALAPRS Advanced Principles of Pension Management	Board Members	3,000
April-2021	CalGovHR Conference	Senior Personnel Analyst	1,000
April-2021	The Pension Bridge Annual Conference	CEO and Investment Staff	1,000
April-2021	Institutional Investor: Public Funds Forum	Chief Investment Officer	1,000
April-2021	Institutional Investor: Private Equity Conference	Investment Staff	1,000
April-2021	CGSA Annual Conference	SCERS Staff	1,000
April-2021	CALAPRS Accountants' Round Table	Management Staff and Staff Member (2)	1,000
April-2021	CALAPRS Information Technology Round Table	Senior Information Technology Analyst or IT Analyst	1,000
April-2021	CALAPRS Administrative Assistant Round Table	Executive Secretary	1,000
April-2021	Public Retirement Information Systems Management Conference	Chief Strategy Officer, Senior Information Technology Analyst or Information Technology Analyst (2)	3,000
May-2021	IPMA-HR Conference	Senior Personnel Analyst	2,000
May-2021	Milken Institute Global Conference	Chief Investment Officer	1,000
May-2021	CEM Conference	Chief Executive Officer and Management Staff (2)	6,000
May-2021	SACRS Spring Conference	Management Staff and Board Members (10)	13,000
June-2021	GFOA Conference	Senior Accounting Manager and Accounting Managers (3)	6,000
June-2021	CALAPRS Communications Round Table	Public Information Officer	1,000
May-2021	CALAPRS Staff Overview Training	SCERS Staff (4)	3,000
June-2021	Institutional Limited Partnership Association Conference	Investment Staff	2,000
June-2021	CALAPRS Benefits Round Table	Management Staff and Staff Member (2)	1,000
June-2021	CALAPRS Administrators' Round Table	Chief Executive Officer	1,000
June-2021	NAPPA Legal Education Conference	General Counsel	2,000
TBD	Manager Annual Meetings (7)	Investment Staffs	7,000
TBD	Silicon Valley/Bay Area Due Diligence	Investment Staff (2)	2,000
TBD	Los Angeles Due Diligence	Investment Staff	1,000
TBD	Chicago Due Diligence	Investment Staff (2)	4,000
TBD	New York Due Diligence (2)	Investment Staff (2)	10,000
Total			\$146,000

Administrative Expense Annual Budget Limit

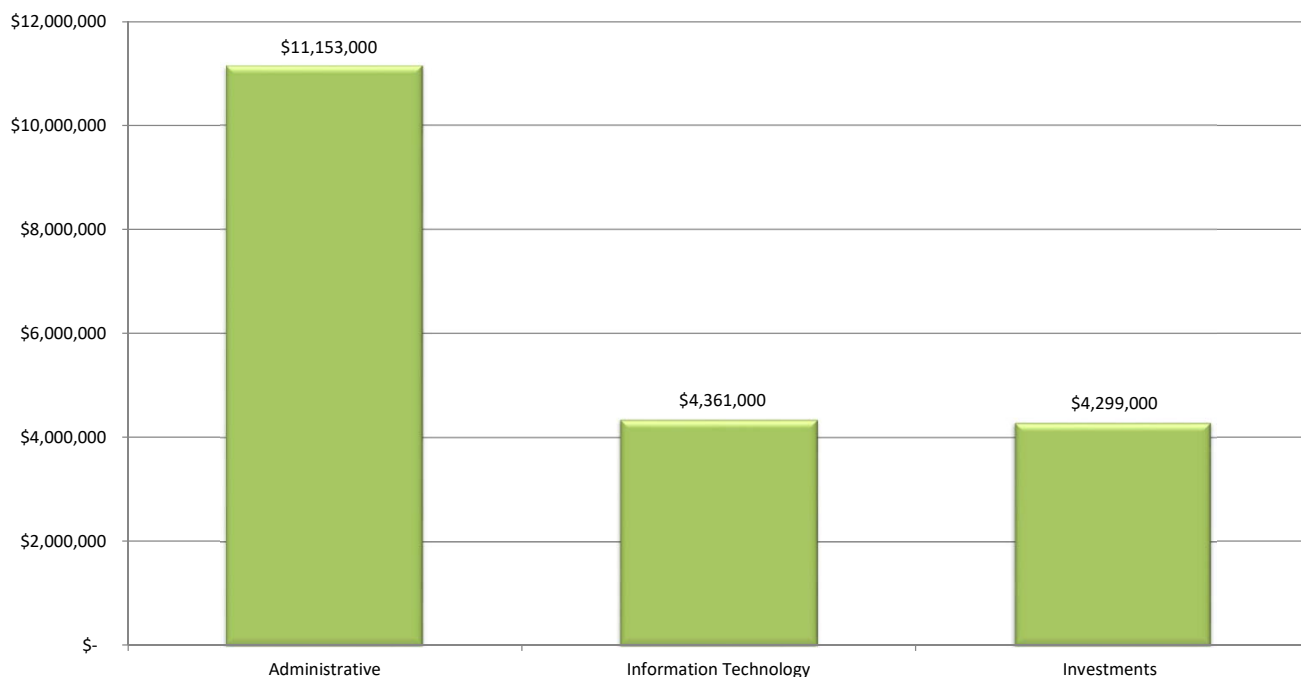
(Dollar Amounts Rounded to the Nearest Thousand)

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 2019-20		Fiscal Year 2020-21	
Total Budget		\$20,146,000		\$19,813,000
Less: Investments Related Costs		(5,123,000)		(4,299,000)
Computer Software/Hardware and Computer Technology Consulting Services Costs		(5,052,000)		(4,361,000)
Administrative Expenses Budget		\$9,971,000		\$11,153,000
Total Actuarial Accrued Liability as of June 30, 2018 and June 30, 2019, respectively		\$11,213,263,000		\$11,895,520,000
Administrative Expenses Budget Limit at Twenty-one Hundredths of One Percent	0.21%	\$23,548,000	0.21%	\$24,981,000
Administrative Expenses Budget	0.09%	9,971,000	0.09%	11,153,000
Budget Limit in Excess of Administrative Expenses	0.12%	\$13,577,000	0.12%	\$13,828,000

Fiscal Year 2020-21 Budget Limit Summary



Glossary

Account Number

Account Title & Description

10111000

Salaries & Wages-Regular Employees

This line item is comprised of regular salaries and wages for SCERS personnel. SCERS uses the fiscal year 2020-21 Personnel Cost Forecasting (PCF) Report provided by County of Sacramento (County) as the basis, and updated to incorporate anticipated staffing changes in fiscal year 2020-21. The PCF 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 2019, which includes a 2% cost-of-living adjustment (COLA) for most employees, with the exception of some employees in specified representative units who will receive a 3% COLA.

Additionally, equity and salary adjustments are calculated based on current labor agreements ranging from 1% to 2.5%. The budgeting for step increases is based on the actual anniversary dates at which the step increases are typically effective. 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 and Committee meetings.

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 for vacant positions, and 2.5% to 5% educational incentive for qualified employees in specified positions.

10114300

Allowances

This line item is comprised of car allowance provided to the Chief Executive Officer.

Account Number	Account Title & Description
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 Cost Forecasting Report and updated to incorporate anticipated staffing changes in the upcoming fiscal year.</p>
10124000	<p>Workers Compensation Insurance-Employer Cost</p> <p>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.</p>

Account Number	Account Title & Description
10125000	<p>Unemployment Insurance-Employer Cost</p> <p>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 10 percent total full-time equivalent (FTE) positions.</p>
10199900	<p>Salary Savings Factor</p> <p>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.</p>
20200500	<p>Advertising/Legal Notices</p> <p>Expenses comprised of publicizing public hearings, legal notices, employment announcements, and solicitations for professional consultants and service providers.</p>
20202200	<p>Books/Periodicals Supply</p> <p>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.</p>
20202400	<p>Periodicals & Subscriptions</p> <p>Expenses for subscriptions for SCERS staff directly related to their job duties.</p>
20203100	<p>Business Conferences and Travel</p> <p>Expenses comprised of educational seminars, conferences, and meetings attended by Board members and SCERS staff, including hotel, transportation, meals, tolls, parking and other travel costs.</p>
20203500	<p>Education & Training Services</p> <p>This line item pertains to registration for education and training seminars, workshops, and other courses for SCERS staff directly related to their job duties.</p>
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>

Account Number

Account Title & Description

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.</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, newsletters, and forms to SCERS members completed by the County Department of General Services (DGS).</p>
20208500	<p>Printing Services</p> <p>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.</p>
20226400	<p>Office Equipment Modular Furniture</p> <p>Expenses comprised of purchases of desks, chairs, tables, filing cabinets, and other office furniture.</p>
20227500	<p>Rents/Leases-Equipment</p> <p>Lease expenses for printers and photocopiers, including maintenance and repair service.</p>
20244300	<p>Medical Services</p> <p>Expenses pertain to processing of disability retirement applications, including independent medical examinations, laboratory work, and specialized copying services.</p>
20250200	<p>Actuarial Services</p> <p>Expenses attributed to routine actuarial services to be provided by Segal and any special projects requested by SCERS.</p>

Account Number	Account Title & Description
20250595	<p>Board Meetings</p> <p>Expenses comprised of refreshments and meals for Retirement Board meetings.</p>
20250607	<p>Investment Services/Consultants and Other</p> <p>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.</p>
20252100	<p>Temporary Staffing Services</p> <p>Temporary services to cover operational needs, temporary vacancies, leaves of absences, and special projects as needed.</p>
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 the Office of Administrative Hearings related to disability retirement cases as required by the Retirement Board.</p>

<u>Account Number</u>	<u>Account Title & Description</u>
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, customer experience management, strategic planning, and disaster recovery plan services. It also includes costs relating to education and training for SCERS' employers, members, and stakeholders, 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>
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 the Department of Technology (DTech), which include 3-1-1 contact center, Countywide data centers, communications center, service desk, security, policy, and planning initiatives.</p>

Account Number	Account Title & Description
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, Windows PC desktop support, and Windows server support. 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. The services include backup and recovery services, geographic information services, computer equipment maintenance, internet/intranet website and web application hosting, high speed enterprise printing and warrant printing, mainframe operations support, service desk allocation for department specific calls, storage hosting, virtual server hosting, shared SQL environment, shared Oracle environment, and system center services.</p>
20291300	<p>Department Of Finance Services</p> <p>Expenses related to 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>

Account Number

Account Title & Description

20292300	<p>GS-Messenger Services</p> <p>This is a County allocated cost from DGS for delivery of County inter-departmental mail; 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>
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 exempt staff and parking validation coupons for the Board members to attend Board and Committee 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>

<u>Account Number</u>	<u>Account Title & Description</u>
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>
70790100	<p>Appropriation For Contingencies</p> <p>This line item is comprised of 1% of the total Salaries and Benefits, total Services and Supplies, and total Other Charges expenses.</p>

Building Improvements

This line item is comprised of improvement costs for SCERS' administrative office space.

Pension Administration System

This line item is comprised of expenses related to SCERS's 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.



SCERS

Sacramento,
California

**SACRAMENTO COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

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