

# SCERS NEWSLETTER

RETIREMENT INFORMATION

## What's inside

- Employer Spotlight: Orangevale Park and Recreation District
- Retired Annuitant Policy Changes
- Retirement Board Election Update
- Fast Facts
- Upcoming Events

### A Message from SCERS' CEO

This quarter finds us focusing on our small Participating Employers, whose employees make up 10% of the SCERS membership.

Employers connect us to each of our 13,000 members in Sacramento County government and in several special districts and agencies. We are proud of the diversity of professions represented—in parks, public cemeteries, courts, job-training agencies, and county departments of all varieties.

To celebrate our system's distinct makeup, we are introducing a semi-regular feature in this newsletter that you will find on page two—an employer spotlight. In this section, we'll highlight a different employer and the members behind it.

As SCERS strengthens its relationships with our Participating Employers, we're building a stronger system, and stronger bridge to each member.

- Eric Stern

## Investment Returns Exceed Benchmarks, Bringing Fund Total Near \$10 Billion

SCERS' total fund closed out the 2018-19 fiscal year with a market value of \$9.7 billion.

The fund returned 7.2% gross of investment management fees, and 6.9% net of fees, just above our actuarial rate of return objective of 7.0%. The gross return for the year ranked SCERS in the top 14th percentile among peer public pension plans.

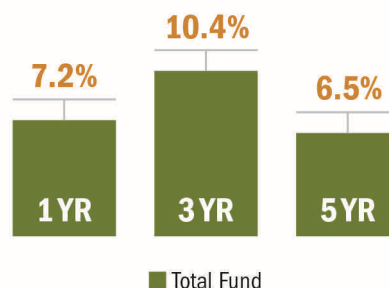
The Private Equity asset class led the year's performance with +24%, followed by Real Assets at +12.8% and Domestic Equity with +8.8%.

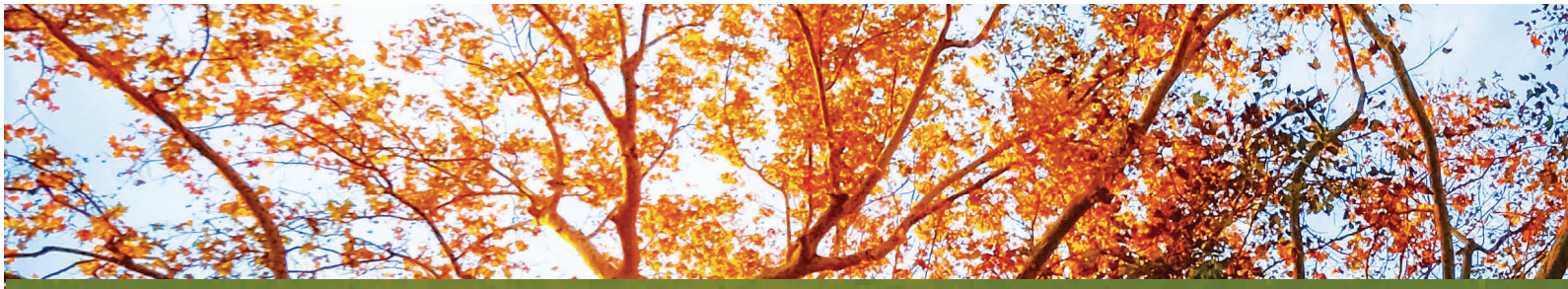
As a long-term investor with a well-diversified portfolio, SCERS has generated an 8.4% annualized return over the past 33 years. Over the last three and five years, our gross annualized return was 10.4% and 6.5%, respectively.

The recent returns over 7.0% will help keep contribution rates stable and fortify the fund, which is particularly important as capital market assumptions point to potentially reduced returns on the horizon.

SCERS' investment program is ready and well positioned for the future. With a range of growth-oriented, diversifying, cash-flow generating, and inflation-sensitive assets, SCERS' strategic asset allocation is designed to perform across a variety of market conditions.

### 2018-2019 Fiscal Year Investment Returns





## Employer Spotlight : Orangevale Recreation & Parks District



Meet Orangevale Recreation & Park District, also known as OVparks, an Independent Special District in the community of Orangevale within the unincorporated area of Sacramento County. SCERS spoke with Greg Foell, District Administrator and SCERS member for 10 years.



### Describe what you do.

I work with the Board of Directors and a great staff to provide the best park facilities and recreation programs for the community of Orangevale. We're a midsized district with approximately 35,000 residents and 13 fulltime staff, taking care of more than 150 acres of park land and outstanding recreation facilities such as a community center, activity building, youth center, Kidz Korner preschool house, a swimming pool and a world recognized Disc Golf Course.

### What makes OVparks a great place to work?

In a small district environment, you have the opportunity to participate in all aspects of serving the community.

This includes property purchases, finance, working with an elected board of directors, public outreach, working with volunteers and service clubs and participating at our special events periodically as the emcee. It is fun and rewarding work.

### In your opinion, what makes special districts special?

Special Districts are a great form of local government that are close to constituents, residents and patrons; we can respond quickly and in a personal manner cater to specific needs.

Recently, we got a call from a resident who wanted better wheelchair access to a tennis court and within a few months we were able to get an accessible pathway built. That's the kind of service we work to provide consistently in our recreation programs and facilities that I hope endear the District to our community.

It is also exceptional to have a Board of Directors that values and encourages community participation and input.

### What should we visit in our next trip to Orangevale?

Come and enjoy a round of disc golf at the Shady Oaks Course or attend the 8th Annual Fright Night on October 18, a fun filled event well supported by community businesses, patrons and our entire team.

---

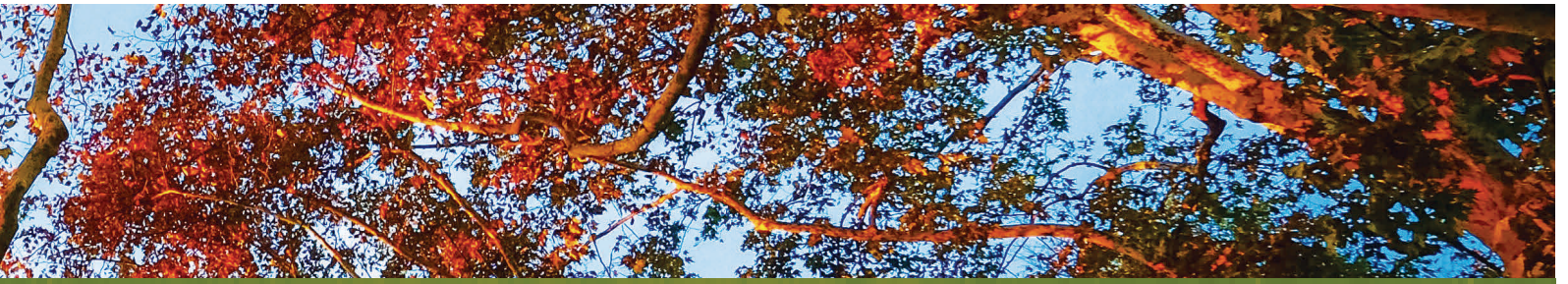
## Investment Terminology: Liquidity

According to Investopedia, "liquidity describes the degree to which an asset or security can be quickly bought or sold in the market at a price reflecting its intrinsic value. In other words: the ease of converting it to cash."

SCERS' portfolio has a variety of liquidity categories organized by how long it would be expected to convert assets into cash. They range from cash and U.S. Treasuries—which have immediate liquidity—to private market investments with multi-year structures that cannot be drawn down or "cashed out" quickly.

SCERS maintains a balanced liquidity profile that prudently invests assets while ensuring member benefit payment and funding obligations are met without interruption.





## Retired Annuitant Policy Changes

Effective July 1, 2019, SCERS updated the rules for retirees who return to work for a SCERS employer while still drawing a pension.

Under state law, SCERS retirees are limited to working 960 hours in a year for a SCERS employer. There are five major amendments to the policy, which clarify the following:

- 1. 960-hour limit apply to all types of contractors.**  
Previously, independent contractors were exempted from the SCERS policy, but the Government Code does not differentiate independent or third-party contractors, so all retirees working as contractors are now subject to the 960-hour annual limit.
- 2. Limited-term duration is defined as 36 months.**  
The Government Code permits retirees to return to work for a limited duration, but the law does not define that duration. SCERS set a 36-month period, to be applied moving forward from July 1, 2019.
- 3. Process to extend the duration of retired annuitant service.**  
SCERS allows employers to grant up to two, 12-month extensions to the 36-month period for an additional 24 months.
- 4. Retirees working in a public safety capacity can be given additional extensions.**  
Based on the employer's reasonable judgment, retirees working in positions that fulfill a genuine and demonstrable public safety need can be extended for additional 12-month periods.
- 5. Participating employers must provide semi-annual reports to SCERS.**  
SCERS maintains the authority to audit employer practices for retired annuitants and requires reporting including the names of retired annuitants and detail on hours worked.



Read the full policy online at:

[scers.org/policies-and-governance](https://scers.org/policies-and-governance).

Look for the section,

**"Post-Retirement Employment Policy."**

## Board Election Voting Closes October 4

The voting period for the SCERS Miscellaneous Representative seat was September 23-October 4. Ballots were mailed last month. Results will be announced October 11.

There are two Miscellaneous Representative candidates:

- Neil McKenzie Davidson, Senior Administrative Analyst at the Department of General Services
- Dave West Comerchero, Employee Benefits Manager at the Department of Personnel Services.

No election will be held for the retiree positions because only one member—Martha Hoover, Retired County Debt Officer—was nominated for Retiree Representative, and one member—Kathy O'Neil, Retired Human Services Supervisor II—was nominated for Alternate Retiree Representative. They will be automatically appointed.

The three-year term of office begins January 1, 2020.

Stay up-to-date at [scers.org/elections](https://scers.org/elections).

## Board of Retirement

The SCERS Board is responsible for administering the pension plan in accordance with governing law, managing risk, and protecting both plan assets and the interests of the plan beneficiaries.

- **Rick Fowler**, President. Appointed by the Board of Supervisors
- **John B. Kelly**, Vice President. Appointed by the Board of Supervisors
- **Keith DeVore**, Vice President. Appointed by the Board of Supervisors
- **James A. Diepenbrock**, Appointed by the Board of Supervisors
- **Diana Gin**, Elected by Miscellaneous Members
- **Ben Lamera**, Ex-Officio. Director of Finance
- **Alan Matré**, CPA, Elected by Miscellaneous Members
- **Kathy O'Neil**, Elected by Retired Members
- **Matt Petersen**, Elected by Safety Members
- **John Conneally**, Elected by Safety Members
- **Martha Hoover**, Elected by Retired Members

Learn more about our Board at [scers.org/board](https://scers.org/board).

# SCERS

Sacramento County  
Employees' Retirement System

980 9th Street, Suite 1900  
Sacramento, CA 95814

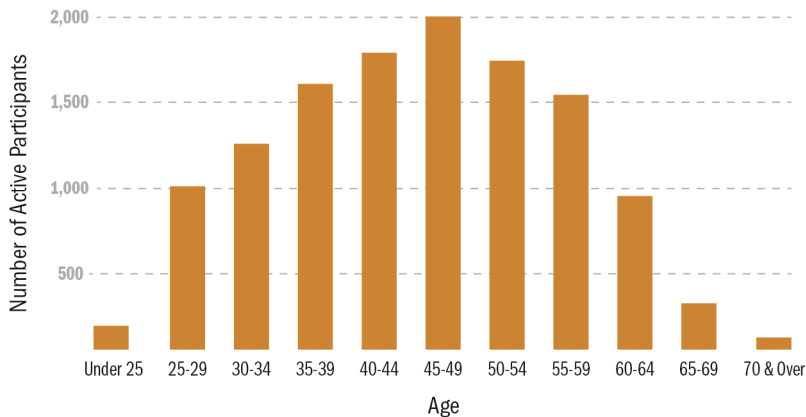
PRESORTED  
STANDARD MAIL  
U.S. POSTAGE  
**PAID**  
SACRAMENTO, CA  
PERMIT #24

## Fast Facts

**Distribution of Active Members: By Age**  
As of June 30, 2018

- Our youngest member was **18.6 years old**.
- Our oldest member was **84.2 years old**.

Active Participants by Age Range



## Upcoming Events

View more details, including registration, at  
[scers.org/calendar](http://scers.org/calendar)

**Board Meetings, open to public**

980 9th Street, 19th Floor at 10 a.m.

- Wednesday, November 20
- Wednesday, December 18
- Wednesday, January 15, 2020

**Quarterly Retirement Seminars,**

*for members within 10 years of retirement*

700 H Street, First Floor at 9 a.m.

- Monday, October 21
- Tuesday, December 3

**Second Annual Employer Forum,**

*for participating employers*

980 9th Street, 19th Floor at 9:00 a.m.

- Thursday, January 30, 2020