

SCERS NEWSLETTER

RETIREMENT INFORMATION

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A Message from SCERS' CEO

I hope this finds everyone having a great summer.

SCERS is in the throes of an aggressive hiring spree to meet the demands of this very busy year.

We have improved the turnaround of new retirement applications and are cutting down the number of days it takes to receive the first retirement check, which can vary between members depending upon individual circumstances.

We're getting closer to implementing our IT project over the next year with the self-service features you have been waiting for. We've also been working on improved audio-visual Board Room technology, updating forms, a collaborative retirement planning video project with the County's Employee Benefits Office, Social Security Administration, Fidelity Investments, and a self-scheduler for appointments.

Please don't hesitate to contact us if you need any assistance in the meantime.



—Eric Stern

Negative Investment Return in a Volatile Market Environment

With a return of -3.5%, net of fees, for the 12-month period ending June 30, 2022, SCERS experienced a rare loss since the global financial crisis of 2009, putting SCERS' assets at \$11.8 billion.

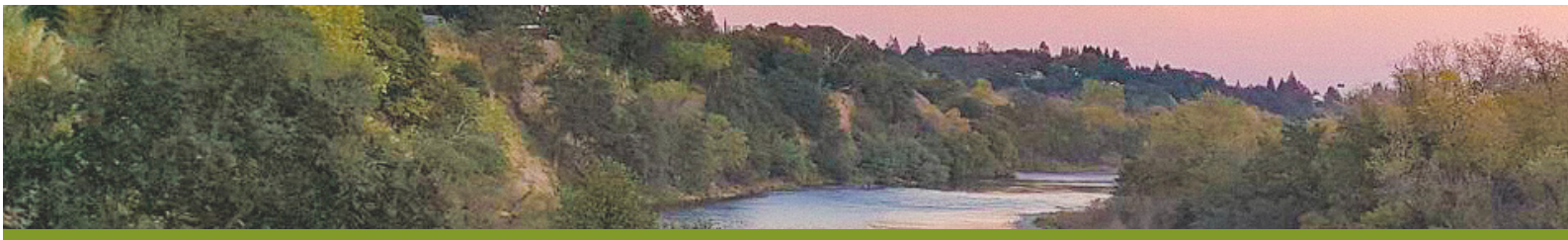


A combination of rising inflation, interest rate hikes, geopolitical instability, and declining investor sentiment led to a rapid increase in market volatility and meaningful losses across public markets.

SCERS' public market investments suffered the greatest losses, with global equity returning -18.5% and fixed income returning -10.2%. Public market investments make up 60% of SCERS' total fund. There were several bright spots in the portfolio that mitigated the losses, including SCERS' uncorrelated absolute return portfolio, which returned +2.0%. Private market investments generated meaningful positive returns, including real assets at +27.6%, real estate at +27.6%, private equity at +21.7%, and private credit at +7.6%.

"It was a challenging year for the portfolio," said SCERS Chief Investment Officer Steve Davis. "Equity and fixed income markets, which typically experience unrelated returns in troubled markets, were both down meaningfully due to the inflationary and rising interest environment. While the overall results are disappointing, the SCERS portfolio is purposely designed with a long-term focus and meaningful diversification to protect the plan in down markets."

Despite the negative return, SCERS funding remains strong to meet our benefit obligations. The prior fiscal year, 2020-21, brought a record 27.8% return to the pension fund, which helps absorb the recent loss. Total fund annualized returns for the 5-year period ending June 30, 2022 stood at 8.4%, the 10-year period at 8.4%, the 20-year period at 7.2%, and the 30-year period at 7.9%.



Employer Spotlight: Local Cemetery Districts Provide for the Past and Future

SCERS not only provides pensions to Sacramento County employees, but also to employees of several special districts in the County. Three of these are cemetery districts that manage nine historic cemeteries. For anyone interested in history, visiting cemeteries is often a fascinating window into the lives and tales of earlier times. Just ask the representatives of these three special districts.

Jonathan Lambdin, District Manager of the **Elk Grove Cosumnes Cemetery District**, has many stories to tell about the six public cemeteries in his district, some dating back to the mid-1800s when Elk Grove consisted of one hotel and a stagecoach stop.

“The history of any area can be found in any cemetery,” Lambdin said.

Elk Grove history is connected to well-known events, such as the 1804-06 Lewis and Clark Expedition.

Alexander Hamilton Willard, the last and youngest surviving member of the expedition, was buried at the Franklin Cemetery in 1865.

Three years later when the railroad came to town, this breadbasket area began to boom. Elk Grove was a key supplier of food

to gold mining camps and new settlers, which included Elitha Cumi Donner-Wilder, a surviving child of the ill-fated Donner Party who was buried at the Elk Grove Cemetery in 1923.

The district includes Elder Creek, Elk Grove, Franklin, Hilltop, Pleasant Grove, and San Joaquin cemeteries. Visit egccd.com for photos, a mobile locator app download, and family assistance information.

The **Fair Oaks Cemetery District** manages the Fair Oaks Cemetery, which was founded as an association in 1903 and became public in 1926. The original half-acre of land was purchased for \$250, and the earliest burials at the site took place in 1898. Today the cemetery covers 12 acres and provides affordable burials for around 200 qualifying district residents and their families annually.

The shady grounds, often visited by deer, include an expansive Veteran’s Memorial Wall with new names added annually at a well-attended Memorial Day ceremony. Of the 2,000+ veterans interred there, about a dozen served in the Civil War, representing both sides. A video of the 2022 ceremony providing a view of the expansive grounds can be found on their website.



Elk Grove Cemetery

Currently the district is seeking more land for expansion. Administrative Assistant Mysti Lingenfelter said the cemetery is nearing capacity. “We only have space for about 12 more years,” she said, proceeding to describe the benefits of choosing a public cemetery as not only cost-effective, but “a beautiful option”. For more information, visit fairoakscemetery.com.

The **Galt Arno Cemetery District** was established in 1952 and manages two cemeteries – Galt and Hicksville. The latter was established in 1846 as part of a land grant from John Sutter to William Hicks, a pioneer cattle rancher and the namesake of a nearby town at the time. Hicks’ wife and infant daughter are believed to have been the first white settlers buried at the site, which includes an Indigenous American burial ground.

When Hicks parceled out his land, the Valensin family purchased 50,000 acres including the graveyard. Pio Valensin promised his friend and employee Aleck Blue, a Miwok Indian, that he would set aside a portion of the cemetery for him and his descendants.

The Galt Arno Cemetery District made this designation ceremoniously official in 2013. A sidewalk divides the cemetery—the east side for the Blue family and members of other tribes, and the west for settlers, including members of the Valensin family. Visit galtarnocemetery.org for more information.

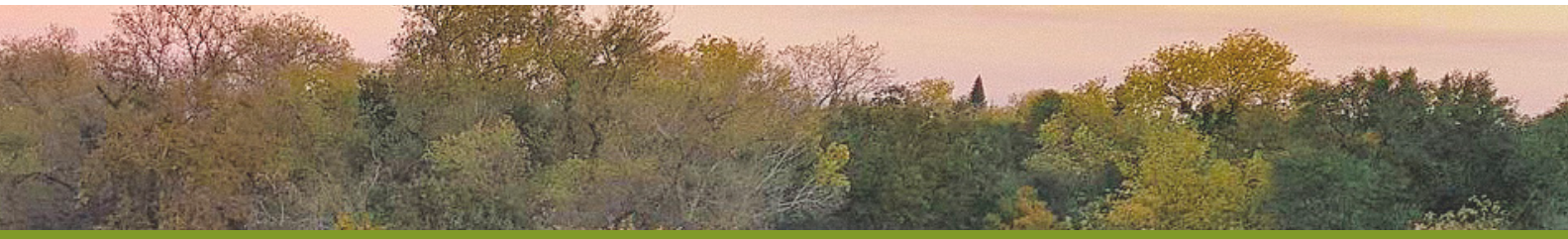
Visiting cemeteries is about the future as much as the past. End of life choices made in advance can provide relief to family members down the road, and public cemeteries can be an affordable option for those who reside within their districts.



Fair Oaks Cemetery



Hicksville Cemetery Photo: Michael Kahn



Alameda Corrections Update

SCERS has completed its analysis of compensation and payroll records and is preparing to issue refunds of overpaid contributions and interest to approximately 4,800 active and deferred members in accordance with the *Alameda* decision.

In August 2022, SCERS will be sending refund notices and Special Distribution Request Forms to **active and deferred members** who will have the option to receive the refund as a direct payment, less taxes, or to roll over the refund to a qualified plan, such as an Individual Retirement Account (IRA) or an eligible employer plan such as a 457(b) plan.

For **retired members**, SCERS is finalizing its analysis of pension calculations and anticipates adjustments to monthly pensions for approximately 2,000 impacted members to begin in the last quarter of 2022. This fall SCERS will send retired members detailed notices about the adjustments, which may include overpayments that need to be recovered. SCERS will provide extended timeframes to recover overpayments through monthly pension warrants.

Please keep your contact information up to date, as we will mail information packets to all affected members. For further updates, visit scers.org/alameda-corrections.

New Appointees Join SCERS Board

SCERS welcomes Robert Aguallo, Jr. to the Retirement Board where he will serve by appointment of the Sacramento County Board of Supervisors beginning in August 2022.

Mr. Aguallo's public service has included:

- 33 years in state and local government
- 20 years of executive leadership at CalPERS and the Los Angeles City Employees' Retirement System
- 11 years as a founding and Board of Directors member of Golden Pacific Bancorp

SCERS also welcomes Ronald Suter, who was appointed in May and sworn in at the June Board meeting. Mr. Suter previously served on the SCERS Board from 1994-2006.

Mr. Suter's public service has included:

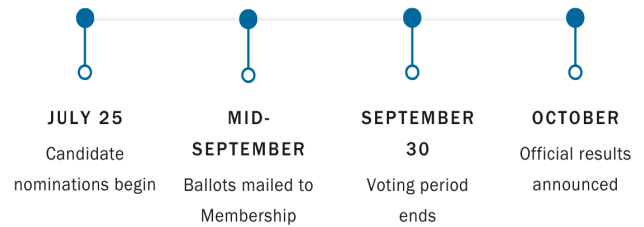
- Over 40 years in county and city government
- 25 years with Sacramento County, including eight years as Regional Parks Director
- 14 years on the Sacramento County Civil Service Commission

Election for Board Seats Coming Soon

The filing deadline for Retirement Board candidate nominations has now passed, and the election period to fill one vacant Miscellaneous seat, one Retiree seat, and one Alternate Retiree seat will begin on September 30.

The open seats are for three-year terms that begin January 1, 2023; however, under state law, the successful candidate for the vacant Miscellaneous seat will be allowed to serve immediately.

Ballots will be mailed to SCERS members in mid-September. Additional information will be posted at scers.org/retirement-board-election. If you have questions or need election materials in a language other than English, visit elections.saccounty.gov or contact Voter Registration and Elections at (916) 875-6451.



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.

Robert Aguallo, Jr., Appointed by the Board of Supervisors

Keith DeVore, Appointed by the Board of Supervisors

Ronald Suter, Appointed by the Board of Supervisors

Vacant, Appointed by the Board of Supervisors

Ben Lamera, Ex-Officio. Director of Finance

Alina Mangru, Elected by Miscellaneous Members

Vacant, Elected by Miscellaneous Members

Jack Noble, Elected by Safety Members

Chris Giboney (alternate), Elected by Safety Members

Martha Hoover, Elected by Retired Members

Kathy O'Neil (alternate), Elected by Retired Members

Learn more about our Board at scers.org/board.

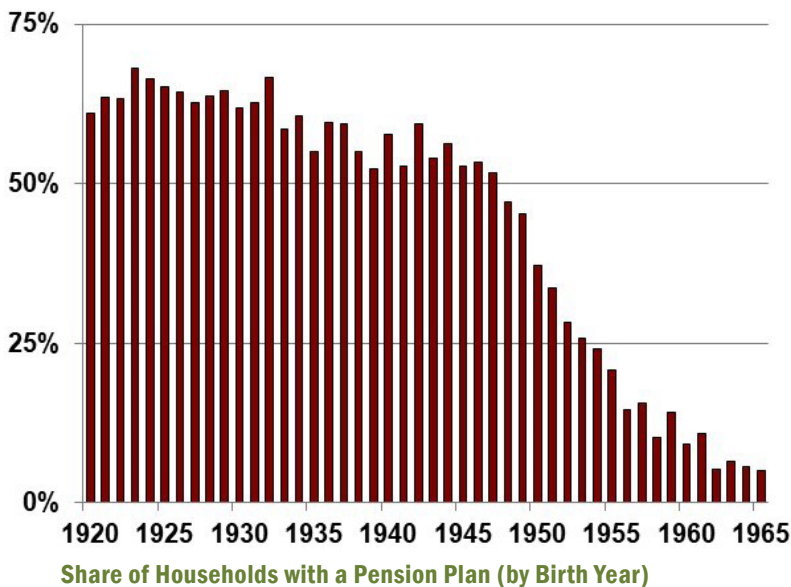


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Retirees May Outlive Their 401(k)s

According to the Center for Retirement Research at Boston College, Baby Boomers and later generations may outlive their 401(k) savings. Retirees without a pension plan spend down savings at faster rates than pensioners with fixed monthly incomes who are less likely to tap into their savings. As the number of U.S. workers with pensions decrease, you can still rely on SCERS benefits to last a lifetime.



Upcoming Events

Board meetings have returned to in-person events, with live-streamed meeting links accessible from our home page quick link menu.

Visit scers.org/retirement-board-meetings for agendas, minutes, and other Board updates.

Pension Planning webinar information can be found at scers.org/pension-planning-webinars.

Board Meetings - 10:00 a.m.

- Wednesday, September 21
- Wednesday, October 19
- Wednesday, November 16

Pension Planning Webinars - 10:00 a.m.

- Wednesday, November 2