

Quotes to remember:

"When you come to a fork in the road, take it."

-Yogi Berra

December 2001

Volume 4, Issue 1

The Finish Line

A Publication for Active Members of the Sacramento County Employees' Retirement System

SCERS Office Relocation Anticipated

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The Administrative Offices of the Sacramento County Employees' Retirement System ("SCERS") will be moving from existing space on the seventh floor of the U.S. Bank Plaza Building at 980 9th Street, Sacramento, to the eighteenth floor of the same building.

Agreement has been reached between our existing landlord "980 9th Street, LLC" and SCERS to accomplish the move anticipated to occur sometime between the period December 15, 2001 through January 10, 2002. If possible, members with casual inquiries should avoid visiting

SCERS during our move in period. Those who have visited SCERS at 980 9th Street realize that different elevators go to the First through Twelfth floors than go to the Fourteenth through Twenty-fifth floors. Visitors will need pay close attention.

Increased membership and increased workload as well as SCERS Board and staffs want to enhance services have necessitated hiring of additional staff in order to better serve our membership. Our move gives us additional workspace to accommodate the staff and optimize our services to our members.

SCERS BOARD MISCELLANEOUS MEMBER ELECTION

A Sacramento County Retirement Board Member Election is to be held November 9 through December 7, 2001, for the purpose of electing ONE MISCELLANEOUS MEMBER for a three year term beginning January 1, 2002 and ending December 31, 2004. Keith DeVore is the current incumbent.

Formal notice by the Sacramento County Registrar of Voters was distributed September 14, 2001.

Only those individuals who are permanent full or part time and "miscellaneous" (non-safety) members of the Sacramento County Employees' Retirement System as of September 22, 2001, are eligible to be candidates and/or vote in this election.

Last day to file candidates nomination papers and candidates statements was October 19, 2001 and ballots are issued November 9, 2001. The voting period is November 9, 2001 through December 7, 2001. Final results are to be announced December 14, 2001.

Important Telephone Numbers

SCERS:

916-874-9119

SCERS FAX:

916-874-6060

SCERS TOLL FREE No:

1-800-336-1711

E-mail address:

sacretire@saccounty.net



TO OUR MEMBERS (With Attitude)

Challenges(!), Accomplishments(?), And More Challenges!!!

The calendar year 2001 was, indeed, eventful and particularly challenging for the SCERS Board and staff.

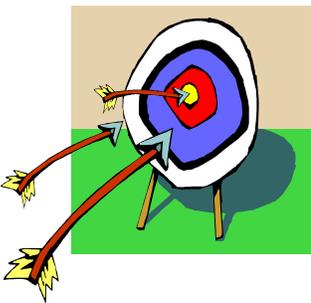
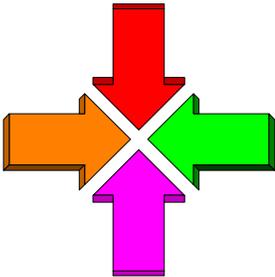
More Progress On Strategic Planning And Achievement - Okay...

In 2001 SCERS continued making significant progress in meeting and achieving goals and objectives set in 1997 and contained in SCERS' five-year strategic plan. In developing the plan SCERS established as our mission statement: "We are dedicated to providing quality services and managing System assets in a prudent manner." Setting core values we declared that in carrying out our mission we will:

- Act as fiduciaries for the members, retirees, and beneficiaries
- Take responsibility for cost effective operations and minimize employer contributions
- Display competency, courtesy and respect
- Continue our professional growth through education and training, and
- Plan strategically for the future.

Following clearly defined action plans over four years we have been able to:

- Employ an effective and competent staff
 - working with County Human Resources to reclassify and train staff members
 - conduct an annual staff recognition day
 - organize and write technical desk manuals
- Provide superior customer service
 - optimize timeliness of benefit payments
 - improve timeliness of service credit purchase requests
 - improve responsiveness to members
 - create and distribute *The Latest Wrinkle* newsletter semiannually for retirees
 - create and distribute *The Finish Line* newsletter semiannually for active members
 - improve the Member's Annual Statements and mail directly to home addresses
 - create and maintain a comprehensive SCERS web-site
 - create and circulate numerous brochures, pamphlets, and guidelines



TO OUR MEMBERS

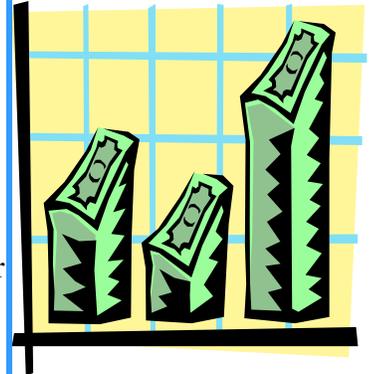
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- Maintain actuarial soundness and improve financial performance
 - clarified rules and responsibilities of retained professional consultants and managers
 - conducted an asset/liability study
 - improved investment performance relative to peers (exceeded CalPERS and CalSTRS over one and five years)
 - achieved superior results in an independent actuarial audit
 - achieved Government Finance Officers' Association certification for excellence in reporting and creating Comprehensive Annual Financial Report(s)
- Assure sound governance and management
 - prepared comprehensive desk manuals for staff
 - scrutinized and reformulated Board policies, and
- Optimize use of current and future technologies
 - implemented and achieved hi tech electronic imaging of SCERS records in advance of "County" departments
 - provided technology training to staff
 - moved closer to a desired "paperless" office
 - developed an extremely well received comprehensive SCERS Website with service retirement allowance "benefit calculator" reachable through member passwords
 - affected individual member electronic access to member data/account information

Hello SAP & COMPASS - Yikes!

As the County's retirement system, SCERS must rely upon County payroll systems and their capabilities for reporting and recording of payroll deductions for employee and employer contributions and the crediting of service to individual member accounts. With a "defined benefit" retirement plan like SCERS, most benefits are calculated on basis of compensation and credited service. Without high integrity of payroll systems, the integrity of SCERS benefit payments is nil. The County's COMPASS (Comprehensive Online Management Personnel And Accounting System for Sacramento) has been...perplexing. Nonetheless, with extraordinary and ongoing hard work, SCERS staff manages to correctly calculate and pay benefits, to receive and record contributions and service credits and to look forward to working with an improved COMPASS system.



TO OUR MEMBERS (With Attitude) (Continued)

Ventura Litigation - Agh!

By now all SCERS members have been informed on numerous occasions and by numerous methodologies and communication technologies, of ongoing litigation arising out of the California Supreme Court decision in a lawsuit involving Ventura County's 1937 Act retirement system.



Simply explained, for purposes of determining what types of pay provided by employers are to be subject to SCERS contributions ("compensation earnable") and considered in calculation of retirement benefits ("final compensation"), twenty California counties prior to October 1997 were following as a guideline a California Appellate Court decision filed in 1985. Then in 1997 the California Supreme Court issued a decision indicating that the prior appellate court was wrong! As a result, SCERS and all other systems were directed to be consistent with the Supreme Court's decision.

When SCERS and others systems complied as per each board's interpretation of the Supreme Court's decision, additional new lawsuits were filed and at this writing remain unresolved. The Superior Court has, however, issued tentative decisions agreeing with SCERS' recent interpretations. Encouraged by the Superior Court's decision, SCERS and Sacramento County as the real party in interest have made a settlement offer to the classes in this class action suit, which offer has been countered by the classes. It is yet to be seen if this settlement process will come to fruition or, in the alternative, the litigation will progress to the higher courts, as in the first go-around.

Benefit Enhancement Legislation and Litigation - Oooh!

The 1999-2000, and 2000-2001 legislative sessions included numerous benefit enhancement provisions, many of which became law. SCERS was instrumental in writing and standardizing some of those provisions, thus furthering the possibility of their being made applicable to SCERS upon adoption by the Board of Supervisors as result of collective bargaining with recognized bargaining units. Working concertedly with the County's Labor Relations Office and the coalitions of recognized County bargaining units, SCERS has and will continue to facilitate and foster a constructive environment which will lead to retroactive conversion of members' service credits to higher paying benefit plans. Even in these low performing and recessed economic times, through the SCERS Board's investment policies and practices, SCERS is favorably positioned to mitigate resultant costs of these substantial plan improvements. Significantly, thus far, Sacramento County has tentative agreements with several bargaining units to implement enhanced benefits no later than prescribed dates of June 30, 2002, or June 30, 2004, or earlier, depending upon bargaining outcome for all other bargaining units and an end to all "Ventura" litigation. Unfortunately, bargaining units have other non-retirement related demands which appear to be holding up these agreements.



SCERS Web Site Address:
[www.co.sacramento.ca.us/
retirement](http://www.co.sacramento.ca.us/retirement)



TO OUR MEMBERS
(With Attitude)
(Continued)

MBASE And SCERS Preparedness - Hmm!

In anticipation of the need for technological improvements to SCERS accounting system and working with the County’s Office of Communications and Information Technology (“OCIT”), in 2001 SCERS launched a project that will migrate and enhance the existing General Retirement Accounting (GRA) system to a PC based data availability system referred to as Member and Benefit Account System for Employees (“MBASE”). The successful completion of the project (we’re almost there) will streamline the flow of information to staff desktops by incorporating spreadsheet and database information into a centrally available format. Translation ---- this will facilitate account processing and benefit calculations and optimize our benefit enhancement implementation.



Onward And Upward - Ahhh!

As the SCERS Board and staff look back in the past and ahead to the future, we believe our challenges were much, our efforts were great, and our promise is good. SCERS will strive to continue being positive and constructive. With continued cooperation and understanding between our membership employers and their management staff and bargaining units, good things are coming, but we must be patient.

- Patience -

Jean Jacques Rousseau once wrote, “Patience is bitter but its fruit is sweet.”



September 11, 2001

Need To Say Something - Let's Give It A Try

Needless to say, for Americans (and other world citizens) these are trying and uncertain times. Yet, our possibilities of getting through them are directly related to our ability to adjust to a changed world in a very positive fashion.

By now we've all heard repeated former President Franklin D. Roosevelt's prophetic and inspirational message after Pearl Harbor that "We have nothing to fear but fear itself."

What he was encouraging in that most troubling time was our development of a positive mental attitude to get us through the moment and the difficult things to come.

Other wise persons over the years have provided inspirational thought and introspection.

Perhaps for some Robert Frost comes to mind with the passage from one of his poems in which he observed that "Stone walls do not a prison make, nor iron bars a cage."

Individually, we all draw strength and respond to circumstances in different ways and from varied sources.

One well published source of inspiration and strength utilized by many is a poem written by Reinhold Niebuhr.

SCERS includes below the "Serenity Prayer" for members of all colors, creeds, religions, beliefs, nationalities or other diverse orientations.

"God, grant me the serenity
to accept the things
I cannot change,

The courage to change
the things I can,

And, the wisdom
to know
the difference."

For November and December particularly and the new year, and always, let's be kind and tolerant of one another and forever thankful for what we've got.

RETIREMENT BOARD

- Jan Hoganson, President
Elected by Safety Members
- Ronald Suter, 1st Vice-President
Elected by Miscellaneous Members
- James A. Diepenbrock, 2nd Vice-President
Appointed by the Board of Supervisors
- Mark Norris, Director of Finance
Ex-Officio
- William Cox
Elected by Retired Members
- Keith DeVore
Elected by Miscellaneous Members
- Winston H. Hickox
Appointed by the Board of Supervisors
- John B. Kelly
Appointed by the Board of Supervisors
- Robert Woods
Appointed by the Board of Supervisors
- James C. Crump, Alternate
Elected by Safety Members

- Executive Staff
- John R. Descamp
Chief Executive Officer
- Jeffrey States
Chief Investment Officer
- Linda Seher
Chief Benefits Officer
- Steven A. Grimshaw
Chief Operations Officer

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